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HOW MARXISM WORKS

A Solidarity pamphlet

SOLIDARITY: WHO ARE WE?

Solidarity is a socialist group with branches across Australia.

We are opposed to the madness of capitalism, which is plunging us into global recession and misery at the same time as threatening the planet's future through climate change and environmental destruction.

We oppose sexism, racism, homophobia and transphobia, and fight against all forms of discrimination and the oppression of women, Indigenous and Torres Strait Islander people, migrants, and lesbian, gay, bisexual, transgender and intersex people.

We are taking the first steps towards building an organisation that can help lead the fight for an alternative system based on mass democratic planning, in the interests of human need not profit.

The name Solidarity invokes one of the basic values of working class struggle—standing together in the fight for our rights. But it also stands for the wider solidarity we want to see—uniting those fighting for change around different issues into a combined struggle against the capitalist system and the ruthless drive for profits that dominates our world.

We're committed to building social movements and the wider left through throwing ourselves into struggles for social justice, against racism and to strengthen rank-and-file unionism. We're active in the movement for refugee rights, the student movement and the fight for education and as activists in our unions.

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Solidarity acknowledges that we organise on First Nations' land and that sovereignty has never been ceded. We support land rights and self-determination.

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Students at the Climate Strike in 2019

1. A world of crises

We live in world of multiple crises—war and inter-imperialist rivalry, pandemic, economic upheaval and climate catastrophe. Each of these crises impacts other parts of the system. The second Trump presidency has added to the chaos but it did not create it. We cannot solve one catastrophe without dealing with what drives them all: capitalism.

Capitalism has created the greatest store of wealth in human history. Yet billions scrabble to survive. The World Bank estimates that 700 million people are trying to survive on just $3.20 a day. The United Nations' children's welfare agency, UNICEF, reports that one child in 36 dies in its first month in poorer areas like Sub-Saharan Africa. Poverty is worse in the Global South but the damage it causes is everywhere. The 2020 *Poverty in Australia Overview* shows more than 3.24 million people including 774,000 children under 15 are living below the poverty line.

The same system that creates inequality is driving climate catastrophe. Scientists have confirmed that 2024 was the hottest year on record and that we are on track to see the average global temperature rise by more than 2 degrees. Fossil fuels play a special role in capitalism—they became structured into the system's DNA as it developed. Coal power let factories move away from traditional sources of energy like running water. The use of oil alongside the invention of combustion engines transformed transport and war machines. From the middle of the 20th century, carbon dioxide emissions began to rise exponentially.

The COVID-19 pandemic that spread to almost every part of the world was a deadly reminder that the system in which we live is dangerous, unequal and unsustainable. The poorest were at most risk of dying—with public health systems hollowed out in the rich countries by decades of neoliberalism and virtually non-existent in the Global South. Capitalism is breaking down the barriers around previously localised conditions and making further pandemics likely.

We live in a world where major industrialised states jostle for control of strategic resources, markets and trade routes. This is what socialists call imperialism—militarised competition for global domination that can lead to war. For decades, the main rivalry was between the US and Russia. Now it is primarily between the US and the new rising superpower, China. In the Straits of Taiwan and the South China Sea, their warships patrol the same waters. An accident could lead to a military exchange. Meanwhile the US and its allies like Germany and Australia armed Ukraine for four years of bloody war to weaken Russia and send a warning message to China. The US and its allies, including Australia, have given Israel unstinting support to carry out a genocide in Gaza, thanks to its role as a watchdog of Western imperialist interests in the Middle East.

We live in an irrational system where decisions are made based on competition and profit, not human need, and where human lives and the environment are seen as expendable. This is why we need to resist capitalism and fight for a society based on human need, equality and sustainability.

The mass incarceration of First Nations people and their brutalisation by police, the cancers of racism, sexism and transphobia, discrimination against the disabled and the old—these are not spin-offs from capitalism but are integral to its survival. We cannot accept this world of oppression and we cannot let big business cost us the earth. To

achieve this we need to reject capitalism as a system that creates inequality, war and oppression. Marxism helps us understand why these crises happens—and it gives us the theoretical tools that can help guide our struggle to end them.

2. Why we need Marxist theory

What do we need theory for? We know there is a crisis. We're angry and know we need change. All the rest is just for the intellectuals. Such views are strongly encouraged by critics of socialism, who try to give the impression that Marxism is obscure and complicated. Socialist ideas, they say, are "abstract". They may seem all right in theory, but in real life common sense tells us something else entirely.

The trouble with these arguments is that the people who put them forward usually have a "theory" of their own, even if they refuse to recognise it. Ask them any question about society, and they will try to answer it with some generalisation or other. A few examples: "People are naturally selfish." "Anyone can get to the top if they try hard enough." "If it weren't for the rich there wouldn't be any money to provide work for the rest of us." "We need to educate people about the need for change."

When people say they do not have a theory, all they really mean is they have not clarified their views. This is particularly dangerous for anyone who is trying to change society. For the internet and the mass media are continually serving up explanations for the mess society is in. They hope we will accept what they say without thinking more about the issues. But you cannot fight effectively to change society unless you recognise what is false in all these different arguments.

The challenge has existed since the emergence of industrial capitalism almost 200 years ago in Britain. Hundreds of thousands of men, women and children were drawn into miserably paid jobs, enduring living conditions of unbelievable squalor. They began to fight back with the first mass workers' organisations—the first trade unions, and in Britain the first movement for political rights for workers. Chartism. Alongside these movements were the first small groups of people dedicated to winning socialism.

Immediately the problem arose as to how the workers' movement could achieve its aim. Some people said it was possible to persuade society's rulers to change things peacefully. The "moral force" of a mass movement would ensure that benefits were given to the workers. Hundreds of thousands of people organised, demonstrated, worked to build a movement based on such views—only to end defeated and demoralised.

Others recognised the need to use "physical force" but thought this could be achieved by conspiratorial groups cut off from the rest of society. These too led tens of thousands of workers into struggles that ended in defeat and demoralisation. Still others believed the workers could achieve their goals by economic action, without confronting the army and the police. In England in 1842 the world's first general strike took place, with tens of thousands of workers holding out for four weeks until forced back to work by hunger and privation.

It was towards the end of the first stage of defeated workers' struggles, in 1848, that the German socialist Karl Marx and his collaborator Frederick Engels wrote the pamphlet

The Communist Manifesto. Their ideas were not pulled out of thin air. They attempted to provide a basis for dealing with all the questions that had been brought up by the workers' movement of the time. The ideas Marx developed are still relevant today. It is stupid to say, as some people do, that they must be out of date because Marx first wrote them down more than 175 years ago. In fact, all the notions of society that Marx argued with are still very widespread. Just as the Chartists argued about "moral force" or "physical force", socialists today argue about change through parliament or revolution. Among revolutionaries there are debates about armed struggle or terrorism similar to those of 1848. These issues are mirrored in debates in the social movements of today, whether the climate, Palestine solidarity or anti-racist movement, where debates over whether those in charge can be convinced of change or will need to be forced, and how they can be forced, are alive and well.

The idealists

Marx was not the first to try to describe what was wrong with society. At the time he was writing, new inventions in factories were turning out wealth on a scale undreamt of by previous generations. For the first time it seemed humanity had the means to defend itself against famine. Yet this did not mean any improvement in the lives of most people. Quite the opposite. The men, women and children in the new factories led lives much worse that those led by their grandparents who had toiled the land. Their wages barely kept them above the bread line; periodic bouts of mass unemployment thrust them well below it. They were crammed into miserable, squalid slums, without proper sanitation, subject to monstrous epidemics.

Instead of the development of civilisation bringing general happiness and well-being, it was giving rise to greater misery. This was noted, not just by Marx, but by some of the other great thinkers of the period—such as the English poets Blake and Shelley, the Frenchmen Fourier and Proudhon, and the German philosophers Hegel and Feuerbach.

Hegel and Feuerbach called the unhappy state in which humanity found itself "alienation"—a term you still often hear. By alienation, Hegel and Feuerbach meant that people continually found that they were dominated and oppressed by what they themselves had done in the past. So, Feuerbach pointed out, people had developed the idea of God—and then had bowed down before it, feeling miserable because they could not live up to something they themselves had made. The more society advanced, the more miserable, "alienated", people became. In his own earliest writings Marx took this notion of alienation and applied it to the life of those who created the wealth of society:

> The worker becomes poorer the more wealth he produces, the more his production increases in power and range ... With the increasing value of the world of things proceeds in direct proportion the devaluation of the world of men ... The object which labour produces confronts it as something alien, as a power independent of the producer ...

In Marx's time the most popular explanations of what was wrong with society were still of a religious kind. The misery of society, it was said, was because of the failure of

people to do what God wanted them to. If only we were all to "renounce sin" everything would turn out all right. A similar view is often heard today, although it usually purports to be non-religious. This is the claim that "to change society, you must first change yourself". If only individuals would cure themselves of "selfishness" or "materialism" then society would automatically get better.

A related view spoke not of changing all individuals, but a few key ones—those who exercise power in society. The idea was to try to make the rich and powerful "see reason". One of the first British socialists, Robert Owen, began by trying to convince industrialists that they should be kinder to their workers. The same idea is still dominant today among the leaders of the Labor Party and the unions, as if a bit of argument will persuade big business to relax its grip on society. Marx referred to all such views as "idealist". Not because he was against people having "ideas", but because such views see ideas as existing in isolation from the conditions in which people live.

But in practice, you cannot explain why far fewer people are religious today than 100 years ago simply in terms of the success of atheistic propaganda. You must explain why people listen to atheistic ideas in a way they did not 100 years ago. Similarly, if you want to explain the impact of "leaders", you must explain why other people agree to follow them. It is no good saying that, for example, Napoleon or Lenin changed history without explaining why millions of people were willing to do what they suggested. Something in the life of society at a certain point led people to feel that what they suggested seemed correct.

You can only understand how ideas change history if you understand where those ideas come from and why people accept them. That means looking beyond the ideas to the material conditions of the society in which they occur. That is why Marx insisted: "It is not consciousness that determines being, but social being that determines consciousness."

3. Understanding history

Ideas by themselves cannot change society. This was one of Marx's first conclusions. Like a number of thinkers before him, he insisted that to understand society you had to see human beings as part of the material world. Human behaviour was determined by material forces, just like the behaviour of any other natural object. The study of humanity was part of the scientific study of the natural world. Thinkers with such views were called materialists.

Marx regarded materialism as a great step forward over the various religious and idealist notions of history. It meant that you could argue scientifically about changing social conditions, you no longer depended on praying to God or on "spiritual change" in people. The replacement of idealism by materialism was the replacement of mysticism by science. But not all materialist explanations of human behaviour are correct. Just as there have been mistaken scientific theories in biology, chemistry or physics, so there have been mistaken attempts to develop scientific theories of society. Here are a few examples.

One very widespread, non-Marxist, materialist view holds that human beings are animals, who behave "naturally" in certain ways. Just as it is in the nature of wolves to kill or in the nature of sheep to be placid, so it is in the nature of men to be aggressive, domineering, competitive and greedy (and, it is implied, of women to be meek, submissive, deferential and passive). This idea is taken to its extreme by misogynist bigots like Andrew Tate. The conclusions drawn from such arguments are almost invariably reactionary. If men are naturally aggressive, it is said, then there is no point in trying to improve society. Things will always turn out the same. Revolutions will "always fail".

But "human nature" varies from society to society. For instance, competitiveness, which is taken for granted in our society, hardly existed in many previous societies. When scientists first tried to give Sioux Native Americans IQ tests, they found that the Sioux could not understand why they should not help each other do the answers. The society they lived in stressed cooperation, not competition. The same with aggressiveness. When Inuit first met Europeans, they could not make any sense whatsoever of the notion of "war". The idea of one group of people trying to wipe out another group of people seemed crazy to them. In our society it is regarded as "natural" that parents should love and protect their children. Yet in the Ancient Greek city of Sparta it was regarded as "natural" to leave infants out in the mountains to see if they could survive the cold.

"Unchanging human nature" theories provide no explanation for the great events of history. If all humans share an essential "nature", then how do some societies create magnificent civilisations while others leave millions to starve?

Many people accept a different materialist theory, which stresses the way it is possible to change human behaviour. Just as animals can be trained to behave differently in a circus to a jungle, so, say the supporters of this view, human behaviour can similarly be changed. If only the right people got control of society, it is said, then "human nature" could be transformed. This view is certainly a step forward from "unchanging human nature". But as an explanation of how society as a whole can be changed it fails. If everyone is completely conditioned in present-day society, how can anyone ever rise above society and see how to change the conditioning mechanisms? Is there some God-ordained

minority that is magically immune to the pressures that dominate everyone else? If we are all animals in the circus, who can be the lion tamer?

Those who hold this theory either end up saying society cannot change or they believe change is produced by something outside society—by God, or a "great man" or the power of individual ideas. Their "materialism" lets a new version of idealism in through the back door. As Marx pointed out, this doctrine necessarily ends up by dividing society into two parts, one of which is superior to society. This "materialist" view is often elitist.

Another materialist view blames all the misery in the world on "population pressure". (This is usually called Malthusian after Malthus, the English economist of the late 18th century who first developed it.) But it cannot explain why the United States, for instance, burns corn while people in sub-Saharan Africa starve. Nor can it explain why 150 years ago there was not enough food produced in the US to feed 10 million people, while today enough is produced to feed 200 million. It forgets that every extra mouth to feed is also an extra person capable of working and creating wealth.

Marx called all these mistaken explanations forms of "mechanical" or "crude" materialism. They all forget that as well as being part of the material world, human beings are also acting, living creatures whose actions change it.

The materialist interpretation of history

> Men can be distinguished from animals by consciousness, by religion or anything else you like. They themselves begin to distinguish themselves from animals as soon as they begin to produce their means of subsistence—their food, shelter and clothing.

With these words, Karl Marx first stressed what was distinct about his explanation of how society developed. Human beings are animals descended from ape-like creatures. Like other animals, their first concern is feeding themselves and protecting themselves from the climate. The way other animals do this depends on their inherited biological make up. A wolf stays alive by chasing and killing its prey, in ways determined by its biologically inherited instincts. It keeps warm on cold nights thanks to its fur. It brings up its cubs according to inherited patterns of behaviour.

But human life is not fixed in this way. The humans who roamed the Earth 100,000 years ago lived quite different lives from us. They often lived in caves. They did not have any containers for food or water and they depended for their food on collecting berries or throwing stones at wild animals. They could not write or count beyond the fingers on their hands. They had no real knowledge of what went on beyond their immediate neighbourhood or what their forebears had done. Yet physically their make up 100,000 years ago was similar to that of modern humans and by 30,000 years ago it was identical. If you cleaned up one of our ancestors and dressed them in modern clothes, no one would think them out of place. As the Australian archaeologist V. Gordon Childe noted:

> The earliest skeletons of our own species belong to the closing phases of the last Ice Age … Since the time when skeletons of Homo sapiens first appear in the geological record … man's bodily evolution has come virtually to a standstill, although his cultural progress was just beginning.

By "culture" archaeologists mean the things which people learn and teach one another (how to make clothes from furs or wool, how to make pots out of clay, how to make fire, how to build homes, and so forth) as opposed to those things that animals know instinctively. The lives of the earliest humans were already vastly different from those of other animals. For they were able to use the physical features peculiar to humans—large brains, forelimbs capable of manipulating objects—to begin to shape their surroundings to suit their needs. This meant humans could adapt themselves to a wide range of different conditions without any change in their physical make up. Humans no longer simply reacted to conditions around them. They could act upon those conditions, beginning to change them to their own advantage.

At first they used sticks and stones to attack wild beasts, they lit torches from naturally occurring fires to provide themselves with heat and light, they covered themselves with vegetation and animal skins. Over many tens of thousands of years they learnt to make fire themselves, to shape stones using other stones, eventually to grow food from seeds they themselves had planted, to store it in pots made from clay and to domesticate certain animals. Comparatively recently—a mere 5000 years ago, out of half a million years of human history—they learnt the secret of turning ores into metals that could be shaped into reliable tools and effective weapons.

Each of these advances had an enormous impact, not merely in making it easier for humans to feed and clothe themselves but also in transforming the very organisation of human life itself. From the beginning human life was social. Only the joint efforts of several humans could enable them to kill the beasts, to gather the food and keep the fires going. They had to cooperate. This continual close cooperation also caused them to communicate, by uttering sounds and developing languages.

At first the social groups were simple. There was not enough naturally growing produce anywhere to support groups of humans more than perhaps a couple of dozen strong. All effort had to be put into the basic tasks of getting the food, so everyone did the same job and lived the same sort of life. With no means of storing any quantities of food, there could be no private property or class divisions, nor was there any booty to produce a motive for war.

There were, until a few years ago, still hundreds of societies in many different parts of the globe where this was still the general pattern—among Indigenous people in Australia, some of the Indigenous peoples of North and South America, and some of the peoples of Equatorial Africa and the Pacific Ocean. It was not that these people were less clever than people today or had a more "primitive mentality". Indigenous people, for instance, had to learn to recognise literally thousands of plants and the habits of scores of different animals to survive. They were much more "clever" than people in industrialised societies in dealing with the problems of surviving in Australian conditions. They built fish traps, engaged in mosaic burning to help in the hunt for kangaroos and replanted murnong (yam daisy) to encourage regrowth. There were not, however, any pressures driving Indigenous people in Australia to develop techniques for large-scale planting of seeds to grow crops or raising animals to provide their own food—something which emerged 10,000 years ago because of the peculiar circumstances some humans found themselves in when they went about producing their necessities of life in the Fertile Crescent, in the present-day Middle East.

The development of new techniques of producing wealth—the means of human life—has always given birth to new forms of cooperation between humans, to new social relations. For example, when people first learnt to rely on growing their own food (by planting seeds and domesticating animals) and to store it (in earthenware pots) there was a complete revolution in social life, called by archaeologists "the neolithic revolution". Humans had to cooperate to clear the land and to harvest food, as well as to hunt animals. They could live together in much greater numbers than before, they could store food and they could begin to exchange goods with other settlements.

The first towns could develop. For the first time there was the possibility of some people leading lives that did not involve them just in providing food: some would specialise in making pots, some in mining flints and later metal for tools and weapons, some in carrying through elementary administrative tasks for the settlement as a whole. More ominously, the stored surplus of food provided a motive for war.

People had begun by discovering new ways of dealing with the world around them, or harnessing nature to their needs. But in the process, without intending it, they had transformed the society in which they lived and with it their own lives. Marx summed up this process: a development of the "forces of production" changed the "relations of production" and, through them, society.

There are many more recent examples. Some 300 years ago the vast majority of people in Europe still lived on the land, producing food by techniques that had not changed for centuries. Their mental horizon was bounded by the local village and their ideas very much influenced by the local church. The vast majority did not need to read and write and never learned to. Then, 200 years ago, industry began to develop. Tens of thousands of people were drawn into the factories. Their lives underwent a complete transformation. Now they lived in great towns, not small villages. They needed to learn skills undreamt of by their ancestors, including eventually the ability to read and write. Railways and steamships made it possible to travel across half the Earth. The old ideas hammered into their heads by the priests no longer fitted at all. The material revolution in production was also a revolution in the way they lived and in the ideas they had.

Similar changes are still affecting vast numbers of people. Look at the way people from villages in Bangladesh or Turkey have been drawn to factories seeking work. Look at the way many find that their old customs and religious attitudes no longer fit. Or look at the way in the past 60 years most women have got used to working outside the home and how this has led them to challenge the old attitude that they were virtually the property of their husbands.

Changes in the way humans work together to produce the things that feed, clothe and shelter them cause changes in the way in which society is organised and the attitude of people in it. This is the secret of social change—of history—that the thinkers before Marx (and many since), the idealists and the mechanical materialists, could not understand.

The idealists saw there was change but said it must come out of the skies. The mechanical materialists saw that humans were conditioned by the material world but could not understand how things could ever change. What Marx saw was that human beings are conditioned by the world around them but that they react back upon the world, working on it to make it more habitable. But in doing so they change the conditions under which they live and therefore themselves as well.

The key to understanding change in society lies in understanding how human beings cope with the problem of creating their food, shelter and clothing. That was Marx's starting point. But that does not mean Marxists believe that improvements in technology automatically produce a better society, or even that inventions automatically lead to changes in society. Marx rejected this view (sometimes called technological determinism). Again and again in history, people have rejected ideas for advancing the production of food, shelter or clothing because these clash with the attitudes or the forms of society that already exist.

For example, under the Roman Empire there were many ideas about how to produce more crops from a given amount of land but people didn't put them into effect because they required more devotion to work than you could get from slaves working under fear of the whip. When the British ruled Ireland in the 18th century they tried to stop the development of industry there because it clashed with the interests of businessmen in London. If someone suggested feeding the poor in India by slaughtering the sacred cows or providing everyone in Australia with succulent steaks by processing rat meat, they would be ignored because of established prejudices.

Developments in production challenge old prejudices and old ways of organising society but they do not automatically overthrow those old prejudices and social forms. Many human beings fight to prevent change—and those wanting to use new methods of production have to fight for change. If those who oppose change win, then the new forms of production cannot come into operation and production stagnates or even goes backwards.

In Marxist terminology: as the forces of production develop they clash with the pre-existing social relations and ideas that grew up on the basis of old forces of production. Either people identified with the new forces of production win this clash or those identified with the old system do. In the one case, society moves forward, in the other it remains stuck in a rut or even goes backwards.

4. Class struggle

We live in a society that is divided into classes, in which a tiny group of billionaires hold vast amounts of private property and wealth and most of us have virtually none. Naturally, we tend to take it for granted that things have always been like this. But in fact, for the greater part of human history, there were no classes, no private property and no armies or police. This was the situation during the half a million years of human development up to 5000 or 10,000 years ago.

Until more food could be produced by one person's work than was needed to keep that person fit for work, there could be no division into classes. What was the point of keeping slaves if all that they produced was needed to keep them alive? But beyond a certain point, the advance of production made class divisions not only possible but necessary. Enough food could be produced to leave a surplus after the immediate producers had taken enough to stay alive. And the means existed to store this food and to transport it from one place to another.

The people whose labour produced all this food could simply have eaten the "surplus" food. Since they lived fairly meagre lives, they were strongly tempted. But that left them unprotected against the ravages of nature, which might mean famine or a flood the next year, and against attacks from angry tribes from outside the area. It was, at first, of great advantage to everyone if a special group of people took charge of this extra wealth, storing it against future disaster, using it to support craftsmen, building up means of defence, exchanging part of it with distant peoples for useful objects. These activities came to be carried out in the first towns, where administrators, merchants and craftsmen lived. Out of the markings on tablets used to keep a record of the different sorts of wealth, writing began to develop.

Such were the first, faltering steps of what we call "civilisation". But—and it was a very big but—all this was based on control of the increased wealth by a small minority of the population. And the minority used the wealth for its own good as well as the good of society. The more production developed, the more wealth came into the hands of this minority—and the more it became cut off from the rest of society. Rules, which began as a means of benefiting society, became "laws", insisting that the wealth and the land that produced it was the private property of the minority. A ruling class had come into existence and laws defended its power.

You might perhaps ask whether it would have been possible for society to have developed otherwise, for those who laboured on the land to control its produce? The answer has to be No. Not because of "human nature" but because society was still very poor. The majority of the Earth's population were too busy scratching the soil for a meagre living to have time to develop systems of writing and reading, to create works of art, to build ships for trade, to plot the course of the stars, to discover the rudiments of mathematics, to work out when rivers would flood or how irrigation channels should be constructed. These things could only happen if some of the necessities of life were seized from the mass of the population and used to maintain a privileged minority which did not have to toil from sunrise to sunset.

However, that does not mean that the division into classes remains necessary today.

The last century has seen a development of production undreamt of in the previous history of humanity. Natural scarcity has been overcome—what now exists is artificial scarcity, created as governments destroy food stocks. Class society today is holding humanity back, not leading it forward.

It was not just the first change from purely agricultural societies to societies of towns and cities that gave rise, necessarily, to new class divisions. The same process was repeated every time new ways of producing wealth began to develop. So in Britain 1000 years ago, the ruling class was made up of feudal barons who controlled the land and lived off the backs of the serfs. But as trade began to develop on a big scale, there grew up alongside them in the cities a new privileged class of wealthy merchants. And when industry began to develop on a substantial scale, their power in turn was disputed by the owners of industrial enterprises.

At each stage in the development of society there was an oppressed class whose physical labour created the wealth and a ruling class who controlled that wealth. But as society developed both the oppressed and the oppressors underwent changes. In the slave society of Ancient Rome the slaves were the personal property of the ruling class. The slave owner owned the goods produced by the slave because he owned the slave, in the same way as he owned the milk produced by a cow because he owned the cow. In the feudal society of the Middle Ages the serfs had their own land and owned what was produced from it; but in return for having this land they had to do a number of days' work every year on the land owned by the feudal lord. If they refused to do work for the lord, he was entitled to punish them.

In modern capitalist society the boss does not physically own the worker nor are they entitled to physically punish a worker who refuses to do unpaid work for them. But the boss does own the workplaces where the worker must get a job if they want to keep alive. So it is easy for them to force the worker to put up with a wage which is much less than the value of the goods the worker creates.

In each case the oppressing class gets control of all the wealth that is left over once the most elementary needs of the workers have been met. The slave owner wants to keep their property in a good condition, so they feed the slave. But everything surplus to the physical needs of the slave, the owner uses for their own enjoyment. The feudal serf has to feed and clothe themself with the work they put in on their own bit of land. All the extra labour on the lord's fields goes to the lord. The modern worker gets paid a wage. All the other wealth they create goes to the employing class as profit, interest or rent.

The class struggle and the state

The workers have rarely accepted their lot without fighting back. There were slave revolts in Ancient Egypt and Rome, peasant revolts in Imperial China, civil wars between the rich and poor in the cities of Ancient Greece, in Rome and Renaissance Europe. That is why Karl Marx and Frederick Engels began their pamphlet *The Communist Manifesto* by insisting: "The history of all hitherto existing societies has been the history of class struggles." The growth of civilisation had depended on the exploitation of one class by another and therefore on the struggle between them.

However powerful an Egyptian pharaoh, a Roman emperor or a medieval prince,

however luxurious their lives, however magnificent their palaces, they could do nothing unless they guaranteed that the products grown by the most miserable peasant or slave passed into their possession. They could do this only if alongside the division into classes there also grew something else—control over the means of violence by themselves and their supporters.

In earlier societies there had been no army, police or governmental apparatus separate from most of the people. Even some 100 years ago, for instance, in parts of Africa, it was still possible to find societies in which this was still so. Many of the tasks done by the state in our society were simply done informally by the whole population or by meetings of representatives. Such meetings would judge the behaviour of any individual who was considered to have broken an important social rule. Punishment would be applied by the whole community—for instance by forcing miscreants to leave. Since everyone was agreed on the necessary punishment, separate police were not needed to put it into effect. If warfare occurred all the young men would take part, under leaders chosen for the occasion, again without any separate army structure. But once you had a society in which a minority had control over most of the wealth, these simple ways of keeping "law and order" and organising warfare could no longer work. Any meeting of representatives or any gathering of the armed young men would be likely to split along class lines.

The privileged group could survive only if it began to monopolise the making and implementation of punishments, laws, the organisation of armies, the production of weapons. So the separation into classes was accompanied by the growth of groups of judges, policemen and secret policemen, generals, bureaucrats—all of whom were given part of the wealth in the hands of the privileged class in return for protecting its rule. Those who served in the ranks of this "state" were trained to obey without hesitation the orders of their "superiors" and were cut off from all normal social ties with the exploited mass of people. The state developed as a killing machine in the hands of the privileged class. And a highly effective machine it could be. Of course, the generals who ran this machine often fell out with a particular emperor or king and tried to put themselves in his place. The ruling class, having armed a monster, could often not control it. But since the wealth needed to keep the killing machine running came from the exploitation of the working masses, every such revolt would be followed by continuation of society along the old lines.

Throughout history people who have really wanted to change society for the better have found themselves up against not just the privileged class but also an armed machine, a state, that serves its interest. Ruling classes, together with the priests, generals, policemen and legal systems that backed them up, all grew up in the first place because without them civilisation could not develop. But once they are established in power, they come to have an interest in hindering the further development of civilisation. Their power is dependent upon their ability to force those who produce wealth to hand it over to them. They become wary of new ways of producing wealth, even if more efficient than the old, in case control escape from their hands.

They fear anything that could lead to the exploited masses developing initiative and independence. And they also fear the growth of new privileged groups with enough wealth to be able to pay for arms and armies of their own. Beyond a certain point, instead of aiding the development of production, they began to hinder it. For example, in the

Chinese Empire, the power of the ruling class rested upon its ownership of the land and its control over the canals and dams that were necessary for irrigation and to avoid floods. This control laid the basis for a civilisation that lasted some 2000 years. But at the end of this period production was not much more advanced than at the beginning, despite the flourishing of Chinese art, the discovery of printing and gunpowder, all at a time when Europe was stuck in the Dark Ages.

The reason was that when new forms of production did begin to develop, it was in towns, through the initiative of merchants and craftsmen. The ruling class feared this growth in power of a social grouping that was not completely under its control. So periodically the imperial authorities took harsh measures to crush the growing economies of the towns, to drive production down and to destroy the power of the new social classes. The growth of new forces of production—of new ways of producing wealth—clashed with the interests of the old ruling class. A struggle developed, the outcome of which determined the whole future of society.

Sometimes the outcome, as in China, was that new forms of production were prevented from emerging and society remained more or less stagnant for very long periods. Sometimes, as in the Roman Empire, the inability of new forms of production to develop meant that eventually there was no longer enough wealth being produced to maintain society on its old basis. Civilisation collapsed, the cities were destroyed and people reverted to a crude, agricultural form of society. Sometimes a new class, based upon a new form of production, was able to organise to weaken and finally overthrow the old ruling class, together with its legal system, its armies, its ideology, its religion. Then society could go forward.

In each case whether society went forwards or backwards depended on who won the war between the classes. And, as in any war, victory was not ordained in advance, but depended on the organisation, cohesion and leadership of the rival classes.

5. Capitalism: how the system began

One of the most ludicrous arguments you hear is that things could not be different to the way they are now. Yet things were different and not so long ago. A mere 250 years ago people would have regarded you as a lunatic if you had described to them the world we live in now, with its huge cities, its great factories, its planes and spacecraft—even its railway systems were beyond the bounds of their imagination. Across much of the world, people lived in societies which were overwhelmingly rural, in which most people had never travelled far outside their village, in which the pattern of life was determined, as it had been for thousands of years, by the seasons. And many others still lived in small tribes which moved across the land seeking food and shelter.

But already, 700 or 800 years ago, a development had begun in Europe which was eventually to challenge all this. Groups of craftsmen and traders began to establish themselves in towns, not giving their services for nothing to some lord as the rest of the population did, but exchanging products with various lords and serfs for foodstuffs. Increasingly they used precious metals as a measure of that exchange. It was not a big step to seeing in every act of exchange an opportunity to get a little extra of the precious metal, to make a profit.

At first the towns could survive only by playing one lord off against another. But as the skills of their craftsmen improved, they created more wealth and they grew in influence. The "burghers", the "bourgeois" or the "middle classes" began as a class within the feudal society of the Middle Ages. But they obtained their riches in a quite different way to the feudal lords who dominated that society. A feudal lord lived directly off the agricultural produce he was able to force his serfs to produce on his land. He used his personal power to make them do this, without having to pay them. By contrast the wealthier classes in the towns lived off the proceeds of selling non-agricultural goods. They paid workers wages to produce these for them, by the day or week.

These workers, often escaped serfs, were "free" to come and go as they liked, once they had finished the work for which they had been paid. The "only" compulsion on them to work was that they would starve if they did not find employment with someone. The rich could only grow richer because rather than starve, the "free" worker would accept less money for their work than the goods they produced were worth. We will return to this point later. For the present what matters is that the middle-class burghers and the feudal lords got their wealth from quite different sources. This led them to want society organised in different ways.

The feudal lord's ideal was a society in which he had absolute power in his own lands, unbound by written laws, with no intrusion from any outside body, with his serfs unable to flee. He wanted things to stay as in the days of his father and grandfather, with everyone accepting the social station into which they were born. The newly rich bourgeoisie necessarily saw things differently. They wanted restraints on the power of individual lords or kings to interfere with their trade or steal their wealth. They dreamed of achieving this through laws, to be drawn up and enforced by their own chosen representatives. They wanted to free the poorer classes from serfdom so that they could work (and increase the burghers' profits) in the towns. In a word, they wanted to revolutionise society. Their

clashes with the old order were not only economic but also ideological and political. Ideological chiefly meant religious, in an illiterate society where the chief source of general ideas about society was church preaching.

Since the medieval church was run by bishops and abbots who were feudal lords in their own right, it propagated pro-feudal views. attacking as "sinful" many of the practices of the urban bourgeoisie. So in Germany, Holland, Britain and France in the 16th and 17th centuries the middle classes rallied to a religion of their own: Protestantism—a religious ideology that preached thrift, sobriety, hard work (especially for the workers!) and the independence of the middle-class congregation from the power of bishops and abbots. The middle class created a God in their image, in opposition to the God of the Middle Ages.

Today we are told at school or online about the great religious wars and civil wars of that period as if they were just about religious differences, as if people were silly enough to fight and die merely because they disagreed over the role of the blood and body of Christ in the Holy Communion. But much more was at stake—the clash between two completely different forms of society, based upon two different ways of organising the production of wealth.

In Britain the bourgeoisie won. Horrific as it must seem to the present ruling class, their ancestors consecrated their power by cutting off a king's head, justifying the act with the rantings of Old Testament prophets. But elsewhere the first round went to feudalism. In France and Germany the Protestant bourgeois revolutionaries were wiped out after bitter civil wars (although a feudal version of Protestantism survived as the religion of northern Germany). The bourgeoisie had to wait two centuries and more before enjoying success, in a second round that began without religious clothing in 1789 in Paris.

Exploitation and surplus value

In slave and feudal societies the upper classes had to have legal controls over the mass of the working population. Otherwise those who worked for the feudal lord or the slave owner would have run away, leaving the privileged class with no one to labour for it. But the capitalist does not, usually, need such legal controls over the person of the worker. The capitalist doesn't need to own the person, provided they ensure that the worker who refuses to work for the capitalist will starve. Instead of owning the worker, the capitalist can prosper providing they own and control the worker's source of livelihood—the machines and factories.

The material necessities of life are produced by the labour of human beings. But that labour is next to useless without tools to cultivate the land and to process naturally occurring materials. The tools can vary enormously, from simple agricultural implements such as ploughs and hoes to the complicated machines you find in modern automated factories. But without the tools even the most highly skilled worker is unable to produce the things needed for physical survival. It is the development of these tools—usually referred to as "the means of production"—that separates modern human beings from our distant ancestors of the Stone Age.

Capitalism is based on the ownership of these means of production by a few people. In 2020, the charity Oxfam reported that the top 1 per cent of Australians, just 250,000

people, owned more than $2 trillion—22.2 per cent of the nation's wealth. In their hands is concentrated effective control over the vast majority of the means of production—the machines, the factories, the mines, the best agricultural land. The mass of the population can get a livelihood only if the capitalists allow them to work at and with those means of production. This gives the capitalists immense power to exploit the labour of other people—even though in the eyes of the law everyone is equal .

It took some centuries for the capitalists to build up their monopoly control over the means of production. In Britain, for instance, the parliaments of the 17th and 18th centuries had first to pass a succession of Enclosure Acts, which drove peasants away from their own means of production, the land which they had cultivated for centuries. The land became the property of a section of the capitalist class and the mass of the rural population were forced to sell their labour to capitalists or starve. Once capitalism had achieved this monopoly of the means of production, it could afford to let the mass of the population enjoy apparent freedom and equality of political rights with the capitalists. For however "free" the workers were, they still had to work for a living.

Pro-capitalist economists have a simple explanation of what then happens. They say that by paying wages the capitalist buys the labour of the worker. They must pay a fair price for it, otherwise the worker will go and work for someone else. The capitalist gives a "fair day's wage". In return the worker should give a "fair day's work". How then do they explain profit? This, they claim, is a "reward" to the capitalist for their "sacrifice" in allowing the means of production (their capital) to be put to use. It is an argument that can hardly convince any worker who gives it a moment's thought.

Take a company that announces a "net rate of profit" of 10 per cent. It is saying that if the cost of all the machinery, factories and so on that it owns is $100 million, then it is left with $10 million profit after paying the wages, raw material costs and the cost of replacing the machinery that wears out in a year. It's easy to see that after 10 years the company will have made a total profit of $100 million—the full cost of its original investment. If it is "sacrifice" that is being rewarded, then surely after the first 10 years all profits should cease. For by then the capitalists have been paid back completely for the money they put in in the first place. In fact, however, the capitalist is twice as wealthy as before. They own the original investment *and* the accumulated profits.

The workers, in the meantime, have sacrificed most of their life's energy to working eight hours a day, 48 weeks a year, in the factory, warehouse or call centre. Are they twice as well off at the end of that time as at the beginning? We all know the answer. Even if a worker saves carefully, they won't be able to buy much more than a decent car and some well-deserved holidays. Even buying a house is now out of reach for many. The worker will never raise the money to buy the workplace they work in. The "fair day's work for a fair day's pay" has multiplied the capital of the capitalist while leaving the worker with no capital and no choice but to go on working for roughly the same wage. The "equal rights" of the capitalist and the worker have increased inequality.

One of Karl Marx's great discoveries was the explanation for this apparent anomaly. There is no mechanism that forces a capitalist to pay their workers the full value of the work they do. A worker employed, for example, in the food processing industry today might create $5000 of new output a week. But that does not mean they will be paid this

sum. In 99 cases out of 100, they will get paid considerably less. The alternative they have to working is to go hungry (or live in poverty on JobSeeker while being harassed by Centrelink). So they demand not the full value of what they produce but rather just enough to give them a more or less acceptable living standard. The worker is paid only enough to get them to put all their efforts, all their capacity for work (what Marx called their labour power) at the disposal of the capitalist each day.

From the capitalist's point of view, providing the workers are paid enough to keep them fit for work and to bring up their children as a new generation of workers, then they are being paid a fair amount for their labour power. But the amount of wealth needed to keep workers fit for work is considerably less than the amount of wealth they can produce once working—the value of their labour power is considerably less than the value created by their labour. The difference goes into the pocket of the capitalist. Marx called it "surplus value".

The self-expansion of capital

If you read the writing of apologists for the present system, you will soon notice that they share a strange belief. Money, according to them, has a magical property. It can grow like a plant or animal. When a capitalist puts their money in a bank they expect it to increase. When they invest it in the shares of Rio Tinto or BHP they expect to be rewarded by fresh money every year in the form of dividend payments. Marx noted this phenomenon, which he called the "self-expansion of capital", and set out to explain it. As we saw previously, his explanation began not with money but with labour and the means of production. In present society, those with enough wealth can buy control of the means of production. They can then force everyone else to sell to them the labour needed to work the means of production. The secret of the "self-expansion of capital", of the miraculous capacity of money to grow for those who have plenty of it, lies in the buying and selling of this labour.

Let's take the example of a worker, who we'll call Kath. The work Kath can do in eight hours will create an additional amount of wealth—worth perhaps $1000. But Kath will be willing to work for much less than this, since the alternative is Centrelink and bare survival on $60 a day. If Kath wants to get more than $60 a day she must sell her ability to work, her labour power, even if she is offered much less than the $1000 worth of wealth she can create in eight hours. She will be willing to work for, perhaps, the average wage of about $260 a day. The difference, $740 a day, goes into the pocket of the employer. Because the employer had enough wealth to buy control of the means of production in the first place, they can guarantee growing richer by $740 a day for every worker they employ. Their money keeps growing, their capital expanding, not because of some law of nature, but because their control of the means of production allows them to get someone else's labour on the cheap.

Of course, the employer does not necessarily keep all the $740—they may rent the workplace or the land or they may have borrowed from other members of the ruling class. There will be costs like power, materials, insurance and so on. So perhaps they fork out $420 as rent, interest, dividend payments and running costs, leaving themselves with only

$320 profit. Those who live off dividends have probably never seen Kath in their lives. Nevertheless, it was not the mystical power of dollar notes that gave them their income but the all too physical sweat of Kath. The dividend, the interest payments and the profit all came out of the surplus value.

What decides how much Kath gets for her work? The employer will try to pay as little as possible. But in practice there are limits below which they cannot go. Some of these limits are physical—it is no good giving workers such miserable wages that they suffer from malnutrition and are unable to put any effort into their work. They also must be able to travel to and from work and to have somewhere they can rest at night, so that they do not fall asleep at work. From this point of view it is worth even paying for what the workers think of as "little luxuries"—like pizza, a smart TV or the occasional holiday. These all make the worker more refreshed and capable of doing more work. They all serve to replenish their labour power. When wages are too low the productivity of labour falls.

The capitalist must worry about something else as well. Their firm will be in business for many years, long after the present set of workers have died out. The firm will require the labour of their children. So they must pay the workers enough to bring up their children. They also must ensure that the state provides these children with certain skills (such as reading and writing) through the educational system. In practice, something else matters as well—what the worker thinks is a decent wage. A worker who gets paid considerably less than this may well neglect their work, not worrying about losing their job since they think it is "useless". All these elements that determine wages have one thing in common. They all go towards making sure workers have the life energy, the labour power, that the capitalist buys by the hour. The workers are paid the cost of keeping themselves and their families alive and fit for work.

In present capitalist society, one further point must be noted. Huge amounts of wealth are spent on such things as police forces and weapons. These are used in the interests of the capitalist class by the state. In effect, they belong to the capitalist class, although they are run by the state. The value which is spent on them belongs to the capitalists, not the workers. It, too, is part of the surplus value. Surplus value = profit + rent + interest + spending on the police, army and so on.

6. The labour theory of value

But machinery—capital—produces goods as well as labour. If so, it's only fair that capital as well as labour gets a share of the wealth produced. Every "factor of production" must get its reward. That is how someone who has been taught a little pro-capitalist economics replies to the Marxist analysis of exploitation and surplus value. And at first sight the objection seems to make some sense. For, surely, you cannot produce goods without capital?

Marxists have never argued that you could. But our starting point is rather different. We begin by asking: where does capital come from? How did the means of production come into existence in the first place? The answer is not difficult to find. Everything people have used to create wealth, whether a Neolithic stone axe or a modern computer, once had to be made by human labour. Even if the axe was shaped with tools, the tools in turn were the product of previous labour. That is why Marx called the means of production "dead labour". When businessmen boast of the capital they possess, in reality they are boasting that they have gained control of a vast pool of the labour of previous generations of workers.

The notion that labour was the source of wealth—usually referred to as the "labour theory of value"—was not an original discovery of Marx. All the great pro-capitalist economists until his time accepted it. Such men, like the Scottish economist Adam Smith or the English economist David Ricardo, were writing when the system of industrial capitalism was still young, in the years just before and just after the French Revolution. The capitalists did not yet dominate and needed to know the real source of their wealth if they were ever to do so. Smith and Ricardo served their interests by telling them that labour created wealth and that to build up their wealth they had to "free" labour from the control of the old pre-capitalist rulers.

But it was not long before thinkers close to the working class began to turn the argument against the friends of Smith and Ricardo: if labour creates wealth, then labour creates capital. And the "rights of capital" are no more than the rights of usurped labour. Soon the economists who supported capital were pronouncing the labour theory of value to be a load of nonsense. But if you kick truth out the front door, it has a habit of creeping in the back. Go online and you'll find commentators who claim that what is wrong with the Australian economy is that "people do not work hard enough" or, another way of saying the same thing, "productivity is too low". They never say "machines do not work hard enough". No, it is always people, the workers.

They claim that if only the workers worked harder, more wealth would be created and that this would make possible more investment in new machinery. The people who use this argument may not know it but they are saying that more work will create more capital. Work, labour, is the source of wealth.

Say you have a $50 note. It's just a piece of plastic. But its value to you is that you can exchange it for something useful that has been made by someone else's labour. The $50 note, in fact, is nothing more than an entitlement to the products of so much labour. Two $50 notes are an entitlement to the products of twice as much labour, and so on. When we measure wealth we are really measuring the labour that has been expended in creating it.

Workers producing notebook computers at a Seagate factory in Wuxi, China
Photo: Robert Scoble/Flickr

Of course, not everyone produces as much with their labour in a given time as everyone else. If I set out, for instance, to make a table, I might take five or six times as long as a skilled carpenter. But no one in their right mind would regard what I had made as five or six times as valuable as a table made by a skilled carpenter. They would estimate its value according to how much of the carpenter's labour would be needed to make it, not mine. Say it would take a carpenter an hour to make a table, then they would say that the value of the table to them was the equivalent of one hour's labour. That would be the labour time necessary to make it, given the usual level of technique and skill in present society.

For this reason, Marx insisted that the measure of the value of something was not simply the time it took an individual to make it but the time it would take an individual working with the average level of technology and the average level of skill—he called this average level of labour needed "the socially necessary labour time". The point is

important because under capitalism advances in technology are always taking place, which means that it takes less labour to produce goods. For example, the first cars were built in carriage workshops. Then Henry Ford introduced the production line, cutting the amount of labour need for each car. The old workshops went out of business because the value of what they were producing slumped. The value of a car was no longer determined by the labour time needed to make them by hand but by the time needed to make them on a production line.

One final point. Prices of some goods fluctuate wildly—on a day-to-day or a week-to-week basis. These changes can be caused by many other things besides changes in the amount of labour needed to make them. When frost in Brazil kills the coffee plants the price of coffee shoots up because there is a worldwide shortage and people are prepared to pay more. If tomorrow some natural catastrophe was to destroy all the televisions in Australia, there is no doubt the price of televisions would shoot up in the same way. What economists call "supply and demand" continually causes such fluctuations in price.

For this reason, many pro-capitalist economists say that the labour theory of value is nonsense. They say that only supply and demand matter. But *that* is nonsense. For this argument forgets that when things fluctuate they usually fluctuate around an average level. The sea goes up and down because of tides but we acknowledge a fixed point around which it moves, which we call sea level. Similarly, the fact that prices go up and down from day to day does not mean that there are not fixed values around which they fluctuate. For instance, if all the televisions were destroyed, the first new ones to be produced would be very much in demand and fetch a high price. But it would not be long before more were on the market, competing with each other until the price was forced down close to their value in terms of the labour time needed to make them.

Competition and accumulation

There was a time when capitalism did seem like a dynamic and progressive system. For most of human history, the lives of most men and women have been dominated by drudgery and exploitation. Industrial capitalism did not change this when it made its appearance in the 18th and 19th centuries. But it did seem to put this drudgery and exploitation to some useful purpose. Instead of wasting vast amounts of wealth on luxury for a few parasitic aristocrats or in building luxury tombs for dead monarchs, it used wealth to build up the means of creating more wealth. The rise of capitalism was a period of growth in industry, cities, means of transportation on a scale undreamt of in previous human history.

This did not happen because of any special virtues possessed by the capitalists. They were simply obsessed with getting wealth into their own hands by paying as little as possible for the labour they used. Many previous ruling classes had been like them in this respect without building up industry. But the capitalists were different in two important respects. The first we have dealt with—that they did not own workers, instead paying them by the hour for their ability to work, their labour power. They used wage slaves, not slaves. Second, they did not themselves consume the goods their workers produced. The feudal landlord lived directly from the meat, bread, cheese and wine produced by his serfs. But the capitalist lived by selling to other people the goods produced by workers.

This gave the individual capitalist less freedom to behave as he pleased than the individual slave owner or feudal lord had. To sell goods, the capitalist had to produce them as cheaply as possible. The capitalist owned the factory and was all-powerful within it. But he could not use his power as he wished. He had to bow down before the demands of competition with other factories.

Assume that in one factory it takes ten hours of workers' time to produce a certain quantity of cardboard boxes but that another factory could produce the same amount in five hours of workers' time. The first capitalist can't charge a price equivalent to ten hours of labour when the second can charge much less just down the road. Any capitalist who wants to survive in business must ensure that their workers work as fast as possible. But that is not all. They also must make sure that their workers are working with the most up-to-date machinery so that their labour produces as many goods in an hour as did the labour of those working for other capitalists. The capitalist who wants to stay in business must make sure they own ever greater amounts of means of production—or, as Marx put it, to accumulate capital!

The competition between capitalists produces a power, the market system, that has each of them in its grip. It compels them to speed up the work process all the time and to invest as much as they can afford in new machinery. And they can only afford the new machinery (and, of course, have their own luxuries on the side) if they keep workers' wages as low as they can. Marx writes in his major work, *Capital*, that the capitalist is like a miser, obsessed with getting more wealth. But:

> What in the miser is mere idiosyncrasy is, in the capitalist, the effect of a social mechanism in which he is but one of the wheels ... The development of capitalist production makes it constantly necessary to keep increasing the amount of capital laid out in a given industrial undertaking, and competition makes the immanent laws of capitalist production to be felt by each individual capitalist as external coercive laws. It compels him to keep constantly extending his capital in order to preserve it. But extend it he cannot, except by means of progressive accumulation. Accumulate, accumulate! That is Moses and the prophets!

Production does not take place to satisfy human need—even the human needs of the capitalist class—but to enable one capitalist to survive in competition with another capitalist. The workers employed by each capitalist find their lives dominated by the drive of their employers to accumulate faster than their rivals. As Marx and Engels put it in *The Communist Manifesto*:

> In bourgeois society living labour is but a means to accumulate dead labour ... Capital is independent and has individuality, while the living person is dependent and has no individuality.

The compulsive drive for capitalists to accumulate in competition with one another explains the great rush forward of industry in the early years of the system. But something else resulted as well—repeated economic crisis. Crisis is not new. It is as old as the system itself.

7. Economic crisis

The accumulation of wealth on the one hand, of poverty on the other. That was how Marx summed up the trend of capitalism. Every capitalist fears competition from every other so they work their employees as hard as possible, paying wages as low as they can get away with. The result is a disproportion between the massive growth of means of production on the one hand and the limited growth in wages and the number of workers employed on the other. This, Marx insisted, was the basic cause of economic crisis.

The easiest way to look at this is to ask: who buys the greatly expanding quantity of goods? The low wages of the workers mean they cannot afford the goods produced by their own labour. And the capitalists cannot increase wages, because that would destroy profit, the driving force of the system. But if firms cannot sell the goods they produce, they must shut factories and sack workers. The total amount of wages then falls further and yet more firms cannot sell their goods. A "crisis of overproduction" sets in, with goods piling up throughout the economy that people cannot afford to buy. This has been a recurrent feature of capitalist society for the past 200 years.

But any quick-witted apologist for the system will soon point out that there should be an easy way out of the crisis. All that's needed is that capitalists invest their profit in new factories and machines. That will provide jobs for workers, who in turn will then be able to buy the unsold goods. This means that if there's new investment all the goods produced can be sold and the system can provide full employment. Marx was no fool and recognised this. Indeed, as we've seen, he realised that the competitive pressure on capitalists to invest was central to the system. But, he asked, does this mean the capitalists will invest all their profits, all the time?

The capitalist will invest only if they think they are guaranteed a "reasonable" profit. If they don't think there is such a profit to be made, they won't risk their money in investment. They'll put it in the bank and leave it there. Whether the capitalist invests or not depends on how they assess the economic situation. When it looks right, the capitalists all rush to invest at the same time, falling over each other searching for construction sites, buying up machines, scouring the earth for raw materials, paying over the odds for skilled labour. This is usually called the "boom".

But the frenzied competition for land, raw materials and skilled labour forces up the prices of these things. And suddenly a point is reached where some firms discover their costs have risen so much that all their profits have disappeared. The investment boom all at once gives way to an investment "slump".

No one wants new factories—construction workers are sacked. No one wants new machines—the machine tool industry goes into crisis. No one wants all the iron and steel that is being produced—the steel industry becomes "unprofitable". Closures and shutdowns spread from industry to industry, destroying jobs and with them the ability of workers to buy the goods of other industries. The history of capitalism is a history of such periodic lurches into crisis, into the insanity of unemployed workers going hungry outside empty workplaces while stocks of "unwanted" goods rot.

Capitalism creates these crises of overproduction periodically because there is no planning, so there's no way to stop the stampede of capital into and out of investment

all at once. People used to think that the state could stop this. By intervening in the economy, increasing state investment when private investment was low, then reducing it when private investment caught up, the state would keep production on an even keel. But nowadays state investment too is part of the lunacy. Government is ploughing billions into aged care, child care and the NDIS. But operators still go bankrupt, leaving families in limbo.

The final lunacy of the system is that the "crisis of overproduction" is not overproduction at all. All that "surplus" steel, for instance, could help solve world hunger. Peasants in parts of the world plough the land with wooden ploughshares—steel ploughshares would increase food production. But the peasants have no money anyway, so the capitalist system isn't interested—there's no profit to be made.

Why crises tend to get worse

Crises do not just take place with monotonous regularity. Marx also predicted they would get worse as time went on. Even if investment took place at an even rate, without fits and starts, it could not stop the overall trend towards crisis. This is because the competition between capitalists (and capitalist nations) forces them to invest in labour-saving equipment. In Australia today almost all new investments are designed to cut the number of workers employed. The Sydney Metro system cost $21.6 billion but the trains run without drivers, as will trains on Melbourne's suburban loop train system. Mechanisation has reduced the waterfront workforce to a few thousand. And artificial intelligence is likely to wipe out jobs across most sectors.

Only by "rationalising production", by "increasing productivity" and by cutting the workforce can one capitalist get a bigger share of the cake than another. But the result for the system as a whole is devastating. For it means that the number of workers does not increase at anything like the same speed as investment. Yet it is the labour of workers that is the source of the profits, the fuel that keeps the system going. If you make investments without a corresponding increase in the source of profits, you are heading for a breakdown—just as surely as if you expected to drive a Ferrari on the amount of petrol needed to keep a Mazda going.

That is why Marx argued 100 years ago that the very success of capitalism in piling up huge investments in new equipment led to a "tendency of the rate of profit to decline", which means ever-worsening crises. His argument can be applied very simply to capitalism today. Instead of the old picture of slumps turning into booms, the economies in the advanced countries are stuck in a pattern of low growth. The German economy, the powerhouse of Europe, has slowed to almost zero growth. Even in China, whose economy has boomed over the past four decades, growth is declining.

Apologists for the system say this is because investment is not high enough. Without new investment there are no new jobs, without new jobs there's no money to buy new goods. So far, we can agree with them—but we don't agree with their explanation of why this is happening. They blame wages. Wages are too high, they say, which cuts profits to the bone. Capitalists are frightened to invest because they won't get "sufficient reward". But the crisis has continued through long years in which workers' living standards have

fallen—including from the COVID pandemic to today.

We would do better to listen to what Marx said 150 years ago than to listen to those who apologise for capitalism today. Marx predicted that as capitalism got older, its crises would get worse because the source of profit, labour, does not increase nearly as rapidly as the investment needed to put labour to work. Marx wrote when the value of the plant and machinery needed to employ each worker was low. It has shot up since then. The Australian mining industry invested $234 billion in the decade to 2020 while employing an extra 70,000 workers—that's $33,000 per job. Competition between capitalist firms has forced them to use ever bigger and evermore expensive machinery. The point has been reached where, in most industries, it is taken for granted that new machinery means fewer workers.

Because capitalists care about their profit, and if their investment increases fourfold but their profit only doubles, they get really upset. Yet this is what must happen if industry grows more quickly than the source of profit, labour. As Marx put it, the rate of profit will tend to fall. He predicted that a point would eventually be reached at which any new investment would seem a perilous venture. The scale of expenditure needed for new plant and machinery would be colossal but the rate of profit would be lower than ever before. When this point was reached, each capitalist (or capitalist state) might fantasise about huge new investment programs but is afraid to make them for fear of going bust. The very success of capitalism in building ever vaster and more productive machinery has brought the system to the point of seemingly permanent crisis.

A point was reached in the slave societies of the ancient world and the feudal societies of the Middle Ages where either a revolution would transform society or it would enter a permanent crisis that would drive it backwards. In the case of Rome, the lack of a revolution led to the destruction of Roman civilisation and to the Dark Ages. In the case of some feudal societies—Britain and, later, France—revolution destroyed the old order and enabled new social advance to take place, under capitalism. Now capitalism itself faces the choice between permanent crisis, which eventually will plunge humanity back into barbarism through poverty and war, or a socialist revolution.

8. The working class

Marx and Engels began *The Communist Manifesto* with the statement: "The history of all hitherto existing societies has been the history of class struggles." The question of how the ruling class was to force the oppressed class to keep producing wealth for it was crucial. Because of this, in every previous society, there had been enormous struggles between the classes which often culminated in civil war—the slave uprisings in Ancient Rome, the peasant uprisings in medieval Europe, the great civil wars and revolutions of the 17th and 18th centuries.

In all these great struggles, the mass of the insurgent forces were from the most oppressed section of society. But, as Marx hastened to add, at the end of the day all their efforts served only to replace one privileged ruling minority with another. So, for example, in Ancient China there were several successful peasant revolts, but they merely replaced one emperor with another. Similarly, those who made the greatest effort in the French Revolution were the poorer classes of Paris, but at the end of the day society was ruled not by them but by bankers and industrialists instead of the king and courtiers.

There were two main reasons for this failure of the lower classes to keep control of the revolutions in which they fought. First, the general level of wealth in society was fairly low. It was only because the vast mass of people were kept in abysmal poverty that a small minority had time and leisure to develop the arts and sciences to maintain civilisation. In other words, class division was necessary if society was to progress.

Second, the life of the oppressed classes did not prepare them to run society. By and large they were illiterate, they had little idea of what things were like outside their own immediate locality and, above all, their everyday life divided each of them against the other. Each peasant was concerned with cultivating their own plot of land. Each craftsman in the town ran his own small business and was to some extent in competition with other craftsmen, not united with them.

Peasant revolts would start with vast numbers of people rising up to divide the land of the local feudal lords—but once the lord was defeated they would fall to squabbling among themselves about how they would divide the land. As Marx put it, peasants were like "potatoes in a sack"; they could be forced together by some outside power but could not link up permanently to represent their own interests.

So why the focus on the working class? The answer, as Marx and Engels noted in 1848 in the *Communist Manifesto*, is that unlike all other classes—the professional middle class of managers and lawyers, the classic middle class of small business owners and the self-employed, or the mass of land-owning peasants—workers cannot make peace with capitalism. The bosses' drive to maximise profit means workers are under constant pressure to defend the little they have won. They concluded that:

> Of all the classes that stand face to face with the bourgeoisie today, the proletariat alone is a really revolutionary class.

Workers are not only victims of capitalism, they are the class with the greatest power to bring the system grinding to a halt. Because workers' labour is the source of all profits, when

they strike they paralyse production and hit the flow of profits to the capitalists. Employers routinely complain about the cost of wages and conditions, implying that workers are a barely tolerated nuisance. But when workers stop work, the employers throw everything into getting them back—threats, police harassment, sometimes even concessions.

The workers who create the wealth under modern capitalism differ from all the previous lower classes. First, the division of classes is no longer necessary for human progress. So much wealth is created that capitalist society itself periodically destroys huge quantities through wars or economic crises. It could be divided up equally and society could still have a flowering of science, arts and so forth.

Second, life under capitalism prepares workers in many ways to take control of society. For example, capitalism needs workers who are skilled and educated. Capitalism also forces thousands of people into huge workplaces in huge conurbations where they are in close contact with one another and where they can be a powerful force for changing society. Capitalism makes workers cooperate in production within the workplace, and those cooperative skills can easily be turned against the system, as when workers organise themselves into unions. Because they are massed together in huge concentrations it is much easier for workers to democratically control such bodies than it was for previously oppressed classes. Furthermore, capitalism tends increasingly to turn groups of people who thought of themselves as superior to ordinary workers (such as clerks or technicians) into wage labourers who are forced to organise unions as other workers do.

Last, the development of communications—railways, roads, air transport, postal systems, phones, radio, television and the internet—allows workers to communicate outside their own locality or industry. They can organise as a class on a national and international scale—something beyond the wildest dreams of previous oppressed classes.

All these facts mean that the working class can be not only a force which rebels against existing society but can organise itself, electing and controlling its own representatives, so as to change society in its own interest and not just to set up yet another emperor or group of bankers. As Marx put it:

> All previous historical movements were movements of minorities in the interests of minorities. The proletarian movement is the self-conscious independent movement of the immense majority in the interests of the immense majority.

Who are the working class?

Most of the time this isn't obvious. The composition of the working class is frequently obscured by academics who focus on questions like how much people earn, where they studied and where they live, their preferred hobbies, music or fashion style, even their accents. As a result, many people think the working class consists primarily of people doing manual jobs. Given the decline of manufacturing in Australia, it is common to argue that the working class is shrinking in size and importance.

Socialists take a different starting point. We look at what position people hold in relation to the capitalist production process. Are you in a position of power, able to make decisions on investment or managing the workforce (capitalists and senior managers)? Do

you run your own small business and perhaps employ a handful of staff (middle class)? Or are you forced to sell your ability to work for a wage, accompanied by the fear of falling into unemployment and poverty? If you are in that latter category then you are part of the working class.

It's not about your level of education. A PhD student getting by on precarious casual teaching may be worse off than someone who left school at 18 and started a business. Neither is it about income—a skilled, unionised worker may earn more than a shopkeeper. The significant difference is the worker has far less control over their ability to make a living.

Contrary to the pop sociologists, the working class is not just factory and other manual workers. It includes the mass of those doing white-collar jobs including public servants, teachers, nurses and so on. As of October 2025, there were more than 15.3 million people in the Australian labour force (including those unemployed) of which some eight million were employed in clearly working class occupations such as administrative workers, technicians and trades workers, community and personal service workers, labourers, sales workers or machinery operators and drivers. The category of professionals at almost 2.4 million also includes many skilled white-collar workers like specialist public servants, nurses and teachers. By contrast, the self-employed numbered just 1.6 million.

So we can estimate that the economically active working class was more than nine million in 2021, when the population was 25.4 million. But on top of that there are working class people who rely on welfare payments because of long-term health problems. Then there are workers' children and workers who have retired. Many of those listed as independent contractors in practice do the same job as employed workers. It's difficult to come up with a definitive figure but one thing we can be sure of—in Australia today, the working class is in the clear majority, maybe as much as two thirds of the population.

The working class is far from being exclusively male. Women make up almost half of the employed workforce. Working women are more likely to be in a union than men (14 per cent compared to 12 per cent in 2024) due to their greater concentration in relatively well organised public sectors such as nursing and teaching. The stereotype of the working class being blue-collar white men is wrong on another count. In 2023, some 33 per cent of the workforce were born overseas. Migrant workers play a big role in a range of industries: 40 per cent of workers in hospitality were born overseas; in healthcare 37 per cent; construction 24 per cent.

The working class is also global. In 2013—for the first time in history—the majority of people in the global workforce were wage-labourers. According to the International Labour Organisation there are now some 1.6 billion wage labourers, up by 600 million since the mid-1990s. When Marx called on "workers of the world to unite", there were only about 20 million workers worldwide.

A final point on the working class. Many people, when asked which class they're from, say the middle class. This includes many workers, especially white-collar workers. The reason is quite simple. They know they're not ruling class. They think that the working class is the poorest section of society. So they plump for the middle. But what matters is not the label people put on themselves but their experience in the workplace. Teachers or

public servants are no less likely to join a union or take action if they feel they deserve a pay rise, or some dignity, than cleaners or fruit pickers.

Working class power

Workers have the power to stop the production and distribution of goods and the creation of services. Workers use that power to force concessions from employers on wages and conditions. But they have often used that power to achieve greater change. Union members played a key role in the campaign to undermine South African apartheid and took strike action against Australia's involvement in the Vietnam War. Union solidarity has been of enormous importance in the Indigenous struggle for land rights. That tradition continues today with union support for the Gomeroi people's fight against the gas giant Santos in the Pilliga forest in NSW.

Working class struggle has been at a low ebb in Australia since the 1990s. That's been reflected in the lack of practical solidarity with Palestine against the Israeli genocide. But this is not because workers' potential power is any less than before. Rather it is a result of decades of attacks on unions and anti-strike legislation by both Labor and Coalition governments that have weakened union organisation and traditions. But workers have come back from much worse situations to rebuild fighting traditions. In the Depression of the 1930s, several unions ceased to exist as unemployment soared to 32 per cent. Within a decade, workers were fighting and winning gains like a shorter working week. Socialists today must be part of rebuilding union power. We can be confident that class divides Australia and class struggle provides the hope of change.

9. How can society be changed?

In Australia the overwhelming majority of trade unionists and left-wing activists argue that society can be transformed without violent revolution. All that is needed, they say, is for the left to win enough popular support to gain control of the "traditional" political institutions—parliament and the local councils. Then they will be able to change society by getting the existing state—the public service, the judiciary, the police, the armed forces—to enforce laws to curtail the power of the employing class. In this way, it has been claimed, socialism or at least a better society can be introduced gradually and without violence, by reforming the present set up.

This view is usually referred to as "reformism" or "social democracy" (although until 1914 that meant revolutionary socialism). It is a view accepted by those in The Greens as well as many on the left of the Labor Party, the right having long since given up on real change. Reformism seems, at first sight, very plausible. It fits with what we are told at school, online and on television—that "parliament runs the country" and that "parliament is elected according to the democratic wishes of the people". Yet despite that, every attempt to introduce socialism through parliament has ended in failure. Labor has formed majority governments five times since 1943—being in office for 13 years on one occasion—and has long since abandoned the idea of introducing any kind of radical change, let alone socialism.

The experience abroad is the same. In Chile in 1970, the socialist Salvador Allende was elected president. People claimed that this was a "new way" to move to socialism. Three years later the generals who had been asked to join the government overthrew Allende and the Chilean working class movement was destroyed. In Britain, the establishment destroyed Jeremy Corbyn's leftwing leadership of the Labour Party between 2015 and 2020 even though he didn't win an election. The radical leftwing party Syriza formed government in Greece in 2015 pledging to fight austerity. It called a referendum in which Greeks voted overwhelmingly against cutbacks. But when the European Union refused to recognise the result and threatened to crash the Greek economy, Syriza surrendered within months. It then agreed to implement even worse austerity measures, including privatisation and cuts to pensions.

There are three interconnected reasons why reformism must always fail. First, while leftwing majorities in parliaments are "gradually" introducing socialist measures, real economic power continues to lie in the hands of the old ruling class. They can use this economic power to shut down whole sections of industry, to create unemployment, to force up prices through speculation and hoarding, to send money abroad so creating a financial crisis and to launch media campaigns blaming all this on the leftwing government. Allende's government in Chile faced even greater disruption at the hands of big business. Twice, whole sections of industry were shut down by "bosses' strikes", as speculation increased prices to an enormous level and hoarding of goods by businessmen caused queuing for the necessities of life.

The second reason capitalism cannot be reformed is that the existing state machine is not neutral, but designed, from top to bottom, to preserve capitalist society. The state controls nearly all the means of exercising physical force, the means of violence.

If the organisations of the state were neutral and did whatever any government told them, whether capitalist or socialist, then the state could be used to stop sabotage of the economy by big business. But look at the way the state machine operates and who really gives the orders, and you can see it is not neutral.

The state machine is not simply the government. It is a vast organisation with many different branches—the police, the army, the judiciary, the top levels of the public service, the people who run publicly owned industries like Australia Post and so on. Many of the people who work in these different branches of the state come from the working class—they live and get paid like workers. But it is not these people who make the decisions. The rank-and-file soldiers don't decide where wars are going to be fought or whether strikes are going to be broken; the worker in the Centrelink office does not decide how much JobSeeker will be paid. The whole state machine is based on the principle that people on one rung of the ladder obey those on the rung above.

This is especially the case in the sections of the state machine that exercise physical force: army, navy, air force, police. The first thing soldiers are taught when they enlist, long before they are allowed to touch weapons, is to obey orders, regardless of their personal opinions of those orders. That is why they are taught to do absurd drills. If they will follow lunatic commands on the parade ground without thinking about it, it is reckoned they will shoot when ordered to without thinking about that either.

The most heinous crime in any army is a refusal to obey orders—mutiny. So seriously is the offence regarded, that mutiny during time of war is punishable by life imprisonment. For a revolution to be successful, its leaders will need to convince rank-and-file soldiers that they are serious about overthrowing the ruling class, including the officer class, and that if they mutiny they will be on the winning side.

Meanwhile, who gives the orders? If you look at the chain of command in the Australian army it goes: general, brigadier, colonel, lieutenant, sergeant, private. At no stage in that chain of command do elected representatives like MPs get a look in. It is an act of mutiny for a group of privates to obey their local MP rather than their officer. The army is a massive killing machine. The people who run it, and have the power to promote other soldiers into commanding positions, are the generals.

Of course, in theory the generals are responsible to the elected government. But soldiers are trained to obey generals, not politicians. If generals choose to give orders to their soldiers which are at variance with the wishes of an elected government, the government cannot countermand those orders. It can only try to persuade the generals to change their minds. Because military affairs are invariably secret, it is very easy for generals to hide what they are doing from governments they don't like.

That doesn't always mean that generals always, or even usually, ignore what governments say to them. Usually in Australia they have found it convenient to go along with most of what the government suggests. But in a life-and-death situation, the generals can put their killing machine into operation without listening at all to the government and there is little the government can do about it. This is what the generals eventually did in Chile when Allende was overthrown.

So the question, "Who runs the army?" is really, "Who are the generals?" They either come from upper class backgrounds or are granted entry to the world of the rich and powerful. Former General Peter Cosgrove, made Governor-General after leading

operations in Timor Leste, was drafted onto the board of Qantas and several other major companies after his retirement. War criminal and former decorated SAS soldier Ben Roberts-Smith attended the wealthy Perth private school Hale and has a father who was a Supreme Court judge. The senior officers mix with the owners of big business at the same social functions and share the same ideas. The same goes for the heads of the public service, the judges, the police commissioners.

Do you think these people are going to obey government orders to take economic power away from their friends and relatives in big business, just because a majority of MPs in Canberra say so? Would they not be much more likely to copy the example of the Chilean generals, judges and senior public servants, who sabotaged the government's orders for three years and then, when the time was ripe, overthrew it?

We know that, in Australia, those who control the state machine can thwart the will of an elected left-wing government far short of physically overthrowing it. Although the "Kerr coup" of 1975 was not a military affair, we saw how the ruling class turned on a Labor government when it suited them. Prime Minister Gough Whitlam was from the right of the ALP but his big-spending program of reforms was enough to spook the ruling class. In the face of a media offensive and economic turmoil, Whitlam tried to manoeuvre "constitutionally". But the Governor-General, representing the Crown, sacked him.

If he had tried to hold on, he would have faced massive economic sabotage by the employing class (factory closures, flights of money abroad, hoarding of necessities, inflationary price rises). Any laws passed to deal with this would have been appealed to the High Court where judges could block them. The public service chiefs, the generals and the police chiefs would have used the decisions of the judges to justify their own unwillingness to do what ministers told them. They would have been backed by virtually the whole media, screaming that the government was behaving "illegally" and "unconstitutionally". The generals could then use such language to justify preparations to overthrow an "illegal" government. The government would have been powerless to deal with the economic chaos—unless it really did act unconstitutionally and called upon rank-and-file public servants, police and soldiers to turn against their superiors.

If that could happen in 1975 with a middle-of-the-road government trying to push through mild measures, imagine what would happen if a militant socialist government was elected. Any serious reformist majority in parliament would soon be forced to make a choice: either abandon reforms to placate those who own industry and control the key positions in the state, or prepare for an all-out conflict, which would inevitably mean the use of some kind of force, against those who control those positions.

The third reason why reformism is a dead end is that parliamentary "democracy" contains inbuilt mechanisms for preventing any revolutionary movement finding expression through it. Some reformists argue that the best way to take on the power of those who control the key positions in the state machine is for the left to obtain a majority in parliament first. This argument falls because parliaments always understate the level of revolutionary consciousness of the mass of the population.

The mass of the people will only believe that they themselves can run society when they begin in practice to change society through struggle. It is when millions of people are occupying their workplaces or taking part in a general strike that ideas of revolutionary socialism suddenly seem realistic. But such a level of struggle cannot be maintained

indefinitely unless the old ruling class is removed from power. If it hangs on, it will wait until the occupations or strikes decline, then use its control over the army and police to break the struggle. And once the strikes or occupations begin to falter, the feeling of unity and confidence among the workers begins to wane. Demoralisation and bitterness set in. Even the best begin to feel that changing society was just a wild dream.

That is why employers prefer strike votes to be by post or email, taken when workers are at home by themselves, getting their ideas from the television and the internet, not when they are united at mass meetings, able to hear other workers' arguments. That is also why the Fair Work Commission will demand that unions call off strikes or other industrial action to create a "calm" atmosphere for negotiations to take place or while workers are being balloted. Such measures are designed to pour cold water on the confidence and unity of workers.

The parliamentary electoral system contains built-in secret ballots and cooling off periods. For instance, if a government is brought to its knees by a massive strike, it is likely to say: "OK, wait three weeks until a general election can resolve the question democratically." It hopes that in the interim the strike will be called off. The workers' confidence and unity will then fade. Employers may well be able to blacklist militants. The capitalist press and the television can begin functioning normally again, hammering home pro-government ideas. The police can arrest "troublemakers". Then when the election finally takes place, the vote will not reflect the high point of the workers' struggles but the low point after the strike.

In France in 1968, the government of General de Gaulle used elections in precisely this way. The reformist workers' parties and unions told workers to end their strikes and de Gaulle won the election. In Australia in 1975, workers responded with red-hot anger to the sacking of Whitlam, with strikes and demonstrations. But union and ALP leaders urged strikers to return to work and organise for a Labor win at the impending federal election. By election day, that militant confidence had evaporated and Malcolm Fraser won a sizeable victory for the Coalition. If workers wait for elections to decide the key issues in the class struggle, they will never reach that high point.

The workers' state

Marx, in his pamphlet *The Civil War in France*, and Lenin in *The State and Revolution* outlined a completely different view of how socialism can be won. Neither simply pulled these ideas out of thin air: both developed their views by seeing the working class in action—Marx saw the Paris Commune in 1871, Lenin the Russian soviets (workers' councils) of 1905 and 1917. Marx and Lenin insisted that the working class could not begin to construct socialism until it had first destroyed the old state based on bureaucratic chains of command, and secondly created a new state based on entirely new principles. Lenin underlined how completely different this state had to be from the old by calling it "a commune state, a state which is not a state".

A new state, Marx and Lenin said, was necessary if the working class was to impose its dictates on the remnants of the old ruling and middle classes. That was why they called it the "dictatorship of the proletariat"—the working class had to dictate how society was to be run. It also had to defend its revolution against attacks from ruling classes elsewhere

in the world. To do these two jobs, it had to have armed forces of its own, some form of policing of society, courts, even prisons. But if this new army, police and legal system was to be controlled by the workers, and never turn against their interests, it had to be based on completely different principles from the capitalist state. It had to be how the working class as a majority dictated to the rest of society, not a dictatorship directed against the majority of the working class.

The main differences are these. The capitalist state serves the interests of a small minority of society. The workers' state must serve the interests of the overwhelming majority. Force in the capitalist state is exercised by a minority of hired killers, cut off from the rest of society and trained to obey upper class officers. But in a workers' state, force would be needed only so the majority could protect themselves against anti-social acts by the remnants of the old, privileged classes. Soldiering and policing in a workers' state can be done by ordinary workers, who mix freely with their fellow workers, share the same ideas and lead the same lives. Indeed, to make sure that groups of soldiers and police never develop separated from the mass of workers, the "soldiers" and "police" should be ordinary factory and office workers who take it in turns to carry out these functions. Instead of the armed forces and police being run by a small group of officers, they would be run by directly elected representatives of the mass of workers.

Parliamentary representatives in a capitalist state pass laws but leave it to full-time bureaucrats, police chiefs and judges to implement them. This means that MPs and councillors can always hide behind a million excuses when their promises are not implemented. The workers' representatives in a workers' state would have to see their laws put into action. They, not an elite of top bureaucrats, would have to explain to the workers of the public service, the army and so on how things should be done. Again, elected workers' representatives would have to interpret the laws in courts.

Parliamentary representatives in a capitalist state are cut off from those who elect them by high salaries. In a workers' state the representatives would get no more than the average workers' wage. The same goes for those who work full-time in key posts implementing the decisions of the workers' representatives (the equivalent of present-day public servants). Workers' representatives, and all those concerned with implementing workers' decisions, would not be, as MPs are, immune to removal from office for three or four years (or for life in the case of senior public servants). They would be subject to at least annual elections and to immediate recall by those who elected them if they did not implement their wishes.

Parliamentary representatives are elected by all the people living in a certain locality—upper class, middle class and working class, slum landlords as well as tenants, stockbrokers as well as labourers. In a workers' state, election would be only by those who work, with voting only after open discussion on the issues concerned. So the core of the workers' state would be workers' councils based on the factories, hospitals, mines, docks, big offices, with groups such as pensioners, school students and students having their own representatives. In this way, each section of the working class would have its own representative and be able directly to judge whether they were following their interests. In these ways, the new state cannot become a force separate from and against the majority working class—as it was in the Stalinist countries.

At the same time, the workers' council system provides a means by which workers can

coordinate their efforts in running industry according to a democratically decided national plan and not end up running their workplaces in competition with each other. Technology would enable all workers to share information on the various economic options open to society and to direct their representatives to choose what the majority of workers thought best—for example, whether to spend resources on golf courses or on a cheap and reliable public transport system, whether to build nuclear bombs or kidney machines, and so on.

The withering away of the state

Because state power would not be something separate from the mass of the workers, it would be much less a matter of coercion than under capitalism. As the remnants of the old society against which it was directed became resigned to the success of the revolution, and as revolutions removed foreign ruling classes, there would be less need for coercion, until eventually workers need never take time off from work to staff the "police" and the "army". This is what Marx and Lenin meant when they said the state would wither away. Instead of coercion against people, the state would become merely a mechanism of workers' councils to decide how to produce and allocate goods and services.

Workers' councils have come into being in one form or another whenever the struggle between the classes within capitalism has reached a really high level. Soviet is the word the Russians used for workers' councils in 1905 and 1917. In 1918 in Germany workers' councils were, briefly, the only power in the country. In Spain in 1936 the various workers' parties and unions were united by "militia committees" which ran the localities and were very much like workers' councils. In Hungary in 1956 the workers elected councils to run the factories and the localities as they fought Russian troops. In Chile in 1972-73 the workers began to build *cordones*—workers' committees that linked the big factories.

The workers' council begins life as a body workers use to coordinate their struggle against capitalism. It may start with modest functions, raising strike funds maybe, but because these bodies are based on direct election from the workers, with workers' representatives subject to recall, they can at the highest points in the struggle coordinate the efforts of the whole working class. They can lay the basis for workers' power.

10. But how do workers become revolutionary?

In Australia most workers have looked to the Labor Party and parliament to change society for more than a century. A large minority have backed the reactionary ideas of the Liberals or Nationals. The supporters of revolutionary socialism have generally been few.

This indifference or even opposition of workers to revolutionary socialism is hardly surprising. We have all been brought up in a capitalist society where it is taken for granted that everyone is selfish, where people are continually told by the internet and television that only a privileged minority have the ability to take the key decisions in industry and the state, where the mass of workers are taught from the first day they enter school to obey orders. As Marx put it: "The ruling ideas are the ideas of the ruling class" and vast numbers of workers accept them.

Yet despite this, repeatedly in the history of capitalism, revolutionary movements of the working class have shaken one country after another: France in 1871, Russia in 1917, Germany and Hungary in 1919, Italy in 1920, Spain and France in 1936, Hungary in 1956, France in 1968, Chile in 1972-73, Portugal in 1975, Iran in 1979, Poland in 1980. The explanation for these upheavals lies in the very nature of capitalism itself. Capitalism is a crisis-prone system. In the long run it cannot provide full employment, it cannot provide prosperity for all, it cannot secure our living standards today against the crisis it will produce tomorrow. But during the capitalist "booms" workers come to expect these things.

So, for instance, in the 1950s and early 1960s, workers in Australia got used to permanent full employment, a welfare state and gradual but real improvements in living standards. By contrast, over the past 60 years successive governments have allowed unemployment and underemployment together to increase to about 1.5 million, have refused to raise JobSeeker above the poverty line, have allowed bulk billing to decline to alarming levels, and have attempted again and again to cut living standards.

Because we are surrounded with capitalist ideas, we accept some of these attacks. But inevitably a point is reached where workers find they can stand it no more. Suddenly, often when no one expects it, their anger suddenly flares and they take some action against employer or government. Perhaps they stage a strike or organise a demonstration. When this happens, whether they like it or not, workers begin doing things that contradict all the capitalist ideas they have previously accepted. They begin to act in solidarity with one another, as a class, in opposition to the representatives of the capitalist class. The ideas of revolutionary socialism that they used to reject out of hand now begin to fit in with what they are doing. Some at least of the workers begin to take those ideas seriously—providing those ideas are accessible.

The scale on which this takes place depends on the scale of the struggle, not on the ideas in workers' heads to begin with. Capitalism forces them into struggle even if they begin with pro-capitalist ideas. The struggle then makes them question these ideas.

The bosses have tried to crush this mobilising instinct many times. But the green shoots of resistance continue to burst through the concrete slab of repression. Hitler

banned unions from 1933 but some workers organised go-slows and sabotage even under slave labour conditions. After the end of the war in 1945, German workers flocked to unions again in massive numbers. Union organisation turned the factories into fortresses of resistance under the brutal Apartheid regime in South Africa. In the teeth of government hostility, unions organise among the 800,000 workers in Cambodia's garment industry.

When the Maritime Union of Australia was fighting against the John Howard government and Patrick stevedores for its very existence in 1998, working class people joined the picket lines in their thousands. Unionists held workplace collections to raise funds. On the streets, shoppers threw money into collection buckets. One of the reasons for solidarity with the MUA was the solidarity that union and its predecessors had given to others, including the struggle against the racist Apartheid regime in South Africa and the fight for land rights by Indigenous communities. If human nature really rules us, then none of this should have happened.

Challenging capitalist rule

Capitalist power rests on two planks—control of the means of production and control of the state. A real revolutionary movement begins among the vast mass of workers when struggles over their immediate economic interests lead them to clash with both planks of capitalist rule.

Take for example a group of workers who have been employed in the same factory for years. The whole normal humdrum pattern of their lives is dependent on their jobs there. One day management announces that they are going to close the factory down. Even the Coalition or One Nation voters in the workforce are horrified and want to do something. In desperation they decide that the only way to continue to lead the sort of lives capitalism has taught them to expect is to occupy the factory—to challenge the employer's control over the means of production.

They may soon find themselves up against the state as well, as management calls in the police to return control of "their" property. If they are to have any chance of keeping their jobs, the workers now must also confront the police, the state machine, as well as the employer. Thus capitalism itself creates the conditions of class conflict which open workers' minds to ideas quite opposed to those which the system has taught them. This explains why the history of capitalism has been marked by periodic upsurges of revolutionary feeling among millions of workers, even if most of the time most workers accept the ideas the system feeds them.

One final point. One of the biggest things holding many workers back from support for revolutionary ideas is the feeling that it is not worth them personally doing anything because other workers will never support them. When they find that other workers are doing things, they become enthusiastic to act. In the same way people, who feel that they, as workers, are quite incapable of running society, suddenly learn otherwise when they find, in the course of massive struggles against existing society, that they're taking over much of its running. It is because of this that once revolutionary movements start, they can snowball at amazing speed.

11. Isn't everyone greedy, selfish and apathetic?

Collective solidarity is central to the socialist vision. If humans are indeed thoroughly selfish then there can be no democratically run, egalitarian society. All of this is summed up in the common sense idea that socialism is impossible because it's human nature to behave in greedy and selfish ways.

But the way society is organised under capitalism works to encourage this sort of behaviour. Under capitalism we are taught to compete from an early age. Children are put under pressure to perform so their school can record a good NAPLAN test score. There's huge emphasis on winning in sport. HSC/VCE scores are not marks but rankings, measuring how a student rates against the rest of Year 12 in their state. Competition is built into working life, too. Simply to get a job you must compete with dozens, maybe hundreds of others.

If that was all there was to say about human interaction under capitalism, things would be very gloomy. Thankfully, there are many ways in which humans collaborate, too. When the 2019-20 bushfires ripped through many parts of Australia, the response was enormous—more than $500 million donated to appeal funds within weeks, mostly in small amounts by ordinary people. At least 100,000 people rallied throughout Australia under the banner of Black Lives Matter in June 2020. In August 2025, 300,000 marched across the Sydney Harbour Bridge in solidarity with Palestine.

For hundreds of thousands of years, people cooperated for mutual survival. There were no profits and no wages—just people working together for a common benefit. The profit motive under capitalism has distorted this collaborative understanding of an essential human nature and replaced it with an ideology that values individualism and greed.

The reality is that there's a tug of war in our lives between the selfish, individualistic response encouraged by the pressures to "get ahead" and the impulse to collaborate that underpins human existence. It's in that sense that Marx talked about a human nature of a different sort. Marx was concerned with identifying what distinguishes humans from other species. He argued that humans are animals that labour collectively to provide the basics of life—food and shelter—in ways that make it possible for the species to reproduce itself and survive. To be human is to cooperate. Our need to help each other can be seen in our treatment of babies, which are incapable of independent living for years. They rely on adults for food and safety. They rely on cooperation.

A word on apathy. We've all heard people complain that "everyone's apathetic". That's usually taken to mean that people don't care. But we know that's not true. A survey in early 2020 showed that 64 per cent believe Australia should be doing more to address the problem of global warming. An opinion poll in October 2020 indicated that 54 per cent support "immediately progressing resettlement" of people found to be refugees, with only 21 per cent against. In both cases, public opinion is well to the left of the government and the media. Another poll, in October 2025, showed 57 per cent of Australians supported sanctions on Israel.

So a better way to understand apathy is to see it as people feeling powerless. Most

Thousands across the country joined Black Lives Matter marches for Indigenous rights in 2020

people, most of the time know things are wrong. They often support change. But they also think that change can't happen. Better to concentrate on your life, your family and friends and your hobbies. Yet there are times when the surface of society cracks and the pent-up frustration and anger of the mass of people erupts.

Once things began to move, the apparently apathetic moved into action and started to engage with ideas and argue for action well beyond what anyone might have expected. There are no truly apathetic people. There are only people who have yet to sense their own power.

12. Oppression and liberation

Over the past few decades, many left-wing activists and academics have attacked Marxism for emphasising class and supposedly ignoring or downplaying questions of oppression. But that is simply wrong. What Marx and Engels, and Marxists since, have argued is that different forms of oppression such as sexism, racism, homophobia, transphobia and ableism cannot be understood separately from capitalism because capitalism is responsible for creating and shaping them and depends upon oppression for its survival.

Many people think that homophobia, sexism and racism are a natural result of human nature and society. Others see discrimination as resulting from backward ideas or perhaps religion. Marxists insist that they are a result of the capitalist system.

The working class as a whole is an oppressed class, with capitalism dependent on the exploitation of workers' labour to secure its profits. Other forms of oppression interact with class oppression to produce groups within capitalist society who are doubly or "specially" oppressed.

Racism and sexism and other oppressions are then used to create divisions in the working class in order to divide and rule. Marx recognised the need to oppose racism and unite the working class, writing in *Capital*: "In the United States of America, every independent workers' movement was paralysed as long as slavery disfigured part of the republic. Labour in a white skin cannot emancipate itself where it is branded in a black skin."

Marx recognised the significance of the way the ruling class used racism to divide the working class elsewhere. Commenting on the division racism created between Irish and English workers in Britain he wrote that: "This antagonism is artificially kept alive and intensified by the press, the pulpit, the comic papers, in short, by all the means at the disposal of the ruling classes. *This antagonism* is the *secret of the impotence of the English working class*, despite its organisation. It is the secret by which the capitalist class maintains its power. And that class is fully aware of it."

The Russian revolutionary Lenin elaborated on Marx's argument, writing: "Working-class consciousness cannot be genuine political consciousness unless the workers are trained to respond to *all* cases of tyranny, oppression, violence, and abuse, no matter *what class* is affected." Fighting oppression in all its forms is at the heart of socialist politics.

Racism

Racism was imported into Australia by the British invasion in 1788. At the time, Britain was the world's leading slave-trading nation. Profits from slavery made up about a third of new investment made by British capitalists in the years around 1770.

Racism developed only following the rise of capitalism, with the modern slave trade that saw between ten and 15 million African slaves shipped across the Atlantic. Before this there was simply no conception of racial inferiority or prejudice as we know it today. While classical Greek and Roman societies were based on slave labour; slaves were captured as part of the spoils of war and most slaves in ancient Greece and Rome were white. The Ancient Greeks and Romans did consider some peoples inferior but this was

not because of race. Their hierarchy was based on a division between the "civilised" and "barbarian". Some barbarians had white skin while there were Blacks who were considered civilised. As academic Ellen Wood observes: "In Ancient Greece and Rome, despite the almost universal acceptance of slavery, the idea of natural inequalities between human beings never caught on."

All this changed sharply with the rise of the trans-Atlantic slave trade. Capitalism was essentially founded on plantation slavery in the Americas, producing hugely profitable commodities such as sugar, cotton and tobacco. As Marx argued in *Capital*: "The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, and the conversion of Africa into a preserve for the commercial hunting of black skins are all things that characterise the dawn of the era of capitalist production."

But this raised an ideological challenge to the Europeans conducting this barbarism. In first the US and then France, revolutions ushered in the dawn of modern capitalism in the name of "liberty, equality and fraternity". For the market system to function, its people had to be free and at least nominally equal. So how could the enslavement of people from Africa be justified? A new ideology, that non-white people were inferior, even sub-human, took hold to justify the barbaric trade.

The British Marxist Peter Fryer wrote: "Racism emerged in the oral tradition in Barbados in the seventeenth century and crystallised in print in Britain in the eighteenth, as the ideology of the plantocracy, the class of sugar-planters and slave-merchants that dominated England's Caribbean colonies."

Those ideas arrived in Australia with the First Fleet and were applied by the colonial regime to justify the dispossession and genocide of Indigenous people. Australia's rulers believed they had a right to dominate the region because they represented a superior European civilisation. The racism of White Australia then developed further as the British colonies developed their own Australian ruling class. This class sought to dominate the continent and the surrounding region and exclude Asian people who they considered inferior and potentially disloyal to the new regime in the event of conflict.

The emerging Australian ruling class also used racism to divide the new working class between Europeans and the large numbers of people from southern China attracted by gold mining. By encouraging racism among workers, Australia's rulers hoped to defuse class struggle and bind white workers to the system. White Australia, virulent anti-Chinese and anti-Japanese racism was a central feature of Federation in 1901 that founded the modern Australian state, as the new ruling class developed its own imperialist interests in competition with Asia. The threat of the "Yellow Peril" and invasion from the north was part of anti-Japanese racism in the Second World War and the ideological underpinning of Australian military interventions such as the war against the Vietnamese.

The early ruling-class agenda of driving racism into society to divide the working class has continued—from the White Australia policy, to giving a platform to the racism of One Nation, refusing to act over Indigenous deaths in custody and the anti-refugee, tough-on-borders policy shared by Labor and the Coalition.

Today, ruling class racism continues to deny self-determination to Indigenous people, while they suffer astonishingly disproportionate rates of incarceration, deaths in custody and discrimination in housing, health and jobs. Australia's position as an outpost of

western imperialism in Asia continues to contribute to intense ruling class racism. In recent years we've seen Labor and the Coalition use Islamophobia to justify anti-refugee racism and the US-led wars in the Middle East.

The ruling class in Australia has built its wealth through dispossession and genocide. But working-class people here do not benefit from this but have a common interest with Indigenous people in fighting Australian capitalism to win equality and liberation.

Indigenous people have always resisted—from the guerrilla struggles that challenged every advance of the "frontier" through to the struggles against deaths in custody today. The periods in which Indigenous struggles made the greatest strides forward, however, came during the late 1960s and 1970s, when the working class in Australia was also on the offensive, staging more strikes over wages and conditions than ever before, and large numbers of workers were won to supporting Indigenous struggles for justice and land rights.

Sexism: no socialism without women's liberation

Sexism is structured into the society we live in. The manosphere that has emerged in the online world is not a unique realm but is a concentrated microcosm of the sexism that pervades capitalist society. Its rampant misogyny reflects the sexist ideas of the society that spawned it. Some see this as a product of patriarchy, a system of control and domination that pre-dates and is separate to class society and capitalism, by which all men oppress all women.

But women's oppression has not been a feature of all societies. Marxists point to the rise of class society as responsible for women's oppression. Our species has existed for some 300,000 years. For most of that time, humans survived in small bands that fed themselves through hunting and gathering and where tasks and decision-making were shared between men and women. In this long period of history before class societies developed there were many societies in which women were equal (or even superior) to men. These were societies in which women were central to production.

But that began to change from about 11,000 years ago as the development of agriculture brought major changes in production. Farming, with its use of animals and the need to plough, tended to become men's work, diminishing the importance of women's contribution to production. It also began to produce social surpluses that could be stored and in turn produced classes, private property and the state, leading to the domination of men over women.

The emergence of class society also brought changes to the way reproduction was organised and the development of the family. The key to understanding women's and gender oppression under capitalism is the form this now takes in the "nuclear family", made up of a man, a woman and children. However, in all class societies, the family has had one thing in common; the men had varying degrees of power over women.

Engels described the emergence of the family as "the world historic defeat of the female sex". Anthropologist Eleanor Burke Leacock described how the family developed in response to the needs of a rising class society:

> The separation of the family from the clan and the institution of monogamous marriage were the social expressions of developing private property; so-called monogamy

afforded the means through which property could be individually inherited. And private property for some meant no property for others, or the emerging of differing relations to production on the part of different social groups. The core of Engels' formulation lies in the intimate connection between the emergence of the family as an economic unit dominated by the male and this development of classes.

While women's oppression is a product of class society, its character has changed as class society has changed. In peasant society, women still played an important part in the economy, particularly in home-based production. But under capitalism the family was reduced to a place to eat, sleep and raise the next generation of workers.

In the early decades of industrial capitalism, women were part of the workforce, including as factory hands and miners. Child labour was also rife. The whole family worked exorbitant hours in horrifying conditions—working class people often didn't have time to properly care for their children. As a result, many died young. The working class began to demand better conditions.

But it eventually became a concern for capitalists, too, who needed to ensure there were future generations of workers to exploit. So something called the "family wage" was introduced: men were paid enough to supposedly support the whole family, while women stayed at home to care for the children and manage domestic work. The era of the stay-at-home mother and housewife, dependent on a male bread-winner, began.

This "nuclear family model" would ensure the ruling class would be guaranteed new generations of workers to exploit. Pushing the burden of child-rearing and domestic labour on to women would also mean that capitalists didn't have to absorb the cost of raising the new workforce. The cost of clothing, housing and feeding the children would come out of the father's wage and domestic labour would be done for free by the mother.

To ensure that working class people organised their lives according to the nuclear family model, capitalists began to argue that men and women were naturally more suited to particular "gender roles". Some of these ideas include that women are "weaker" than men, so are less suited to manual labour, or that women have a more "maternal instinct" which makes them more suited to child rearing.

The fact that increasing numbers of women are now in the paid workforce hasn't changed this. Women face a "double burden" with housework, the care of children and the elderly also overwhelmingly falling on women. This role of women inside the family is reinforced by the media, education, entertainment, religion, and the gender pay gap that means a family is better off economically if the woman takes time off work to care for children instead of the man.

Australia has one of the most gender-segregated labour markets in the world, with roughly 70 per cent of jobs showing long-term segregation. Men dominate high-paying industries like construction and mining, while women are concentrated in the lower-paid care sector. Eighty-nine per cent of nurses and almost 75 per cent of teachers are women; similarly more than 80 per cent of the aged care workforce are women. Despite more women participating in the workforce than ever before, men still earn more than women in 98 per cent of occupations.

But the integration of women into the workforce gives women a potential power that they do not have isolated in the home. Organised collectively, women have greater

Marching for trans rights in Sydney

independence and ability to fight for their rights—to join unions, go on strike and challenge their sexist bosses and a sexist system.

Ruling-class women and the myth of the sisterhood

Sexism affects women of all classes in society—both wealthy ruling-class women and working-class women, just as racism affects all Indigenous people or people of colour. But the character and intensity of the oppression is shaped and determined by the class you come from. The position and privilege of ruling-class women relies on the sexist system and the exploitation and oppression of working-class women. So, contrary to the argument of some feminists, there is no cross-class sisters' solidarity.

Labor Prime Minister Julia Gillard is famous for her pointed 2012 speech: "I will not be lectured about sexism and misogyny by this man," pointing at the undeniably sexist and racist leader of the Liberal Party Tony Abbott. She was right about Abbott but the same Julia Gillard was in the process of attacking poor and working-class women by cutting the single parent's benefit.

This means the solution to women's oppression is not for more women to take the positions of men as politicians, police chiefs, judges or bosses. Billionaire Gina Rinehart is Australia's richest person and is supporting Pauline Hanson, the leader of Australia's most openly racist party.

Because male workers do not benefit from women's oppression, they can be won to the struggle for women's rights. Working class men do not get pay rises because the pay of women workers is held down. It is the corporate CEOs that benefit. Working-class men have a stake in the fight for free universal childcare, and better funding for the health care, aged care and disability support that would help lift the burden on women.

At Chemist Warehouse distribution centres in Victoria in 2019, women and male workers fought together against sexual harassment by managers of women working as casuals. They also won more permanent jobs in a victory against casualisation.

Although undoubtedly individual men can be the agents of sexist behaviour experienced by women, sexism benefits capitalism and the ruling class. Women's unpaid labour in the home is a gift to the ruling class, not to their partners. Their unpaid labour ensures that they and their partner (usually male) are fit and ready for work and their children similarly grow up and are socialised into being the next generation of workers.

Transphobia and LGBTQI+ rights

A wealth of historical and anthropological evidence shows that homophobia and transphobia haven't always existed—and that different forms of sexual orientation and gender identity have been part of previous societies. In Ancient Greece, same-sex relationships between men and boys were widely practised. In North America, many Indigenous tribes recognised "two-spirit" individuals as a third gender. In India, Pakistan and Bangladesh the Hijras are recognised as a distinct third-gender community.

But under capitalism, the promotion of the nuclear family in the second half of the 19th century meant that the ruling class began to see any way of living outside the nuclear family as a threat. They responded by creating and promoting homophobia and transphobia. The medical profession developed a new category to demonise those engaged in same-sex relationships—the homosexual. What had been a haphazard pattern of persecution turned into strict prohibition by law, backed up with severe penalties. The most infamous case involved the trial of the poet and playwright Oscar Wilde in England in 1895 under a law passed ten years earlier outlawing "any act of gross indecency with another male person".

As gay historian John D'Emilio put it in 1992: "The elevation of the family to ideological pre-eminence guarantees that a capitalist society will reproduce not just children, but [also] heterosexism and homophobia. In the most profound sense, capitalism is the problem."

The ideology of the family powerfully reinforces gender conformity and the gender binary of man and woman, each with their own defined roles. The dominance of the nuclear family model therefore meant gender increasingly came to be seen as a natural product of biology rather than being shaped socially. The result was the development of transphobia directed against those whose gender identity fails to conform with this.

The form of the nuclear family has undergone considerable change in recent times: the 2021 census reported that 16 per cent of all families in Australia were single-parent families (mostly led by women), and 1.4 per cent of all couples were same-sex couples (a 64 per cent increase from 2016). But the ideological centrality of the traditional nuclear family and the social strictures associated with it persist.

The oppressive situation in which we are forced to live under capitalism inevitably distorts and limits everyone's sexuality, gender roles and identity. Our desires and identities are shaped by the society we are born into and the way it organises human reproduction, sexual and family relationships and production in general But sexuality isn't binary and neither is gender. Socialists fight for a world where there would be freedom for a far greater range of sexualities and forms of gender expression.

There have been significant gains for LGBTQI+ rights in the decades since the gay liberation movement that emerged following the Stonewall riots in New York in 1969. But the impact of oppression continues. More than 20 per cent of homeless youth are LGTBQI+. About 75 per cent experience a mental health disorder in their lifetime and LGBTQI+ youth are four times more likely to attempt suicide than their peers. Recent surveys reveal that half of trans people had thought about taking their own life in the previous 12 months.

The situation in Australia, and internationally, is especially acute for trans people. Figures like Donald Trump and others on the right are on the offensive against trans rights. The prominence of transphobic and "trans-critical" voices in the media contributes to the increased harassment and abuse of trans and non-binary people.

Disability

People with disabilities—whether present from birth or acquired—are too often discriminated against through exclusion from the workforce or the denial of access to urban spaces designed for able-bodied people. Capitalism needs workers who can contribute to the production of profit—meaning that many people with disabilities are seen as a burden and a cost, rather than humans whose lives have meaning. This is despite disability being common. One in five people in Australia have disability—about one quarter saying their main form of impairment is mental or behavioural and the others saying their main form of impairment is physical.

People with disability are seen as a cost to the system. A Labor government introduced the National Disability Insurance Scheme (NDIS) in 2013. Almost immediately, governments began to look at ways of cutting back payments. In 2026, Labor announced measures to push at least 240,000 people off the scheme and slash billions in spending.

Intersectionality, identity and the fight against oppression

Some activists today see "intersectionality", as a useful way to understand how race, gender and class oppressions "intersect" and influence each other. But capitalism is not just a matrix of overlapping oppressions—class, gender, racism and so on. For Marxists, class is not just one oppression among many, it is class that produces and shapes

oppression.

And crucially class provides the power to push back and defeat oppression, through strikes and industrial action that challenge the wealth of the ruling class, in a way no other form of oppression does. Class struggle also has the potential to unite workers and to overcome the divisions fostered by oppression. This in turn opens the way to a working-class challenge to the whole system and an end to all oppression.

For this reason, a focus on "identity" that says only people who experience a particular form of oppression can lead a fight against it weakens our resistance. Solidarity between working-class people and oppressed groups is vital to overcoming divisions and beating back oppression.

Workplaces bring together men and women, gay, straight and transgender people, Black and white people in the common experience of exploitation. Taking on the bosses requires collective action. It is in common struggle that racist, sexist and transphobic ideas can be overcome. Unity in action cuts through the ideas fed from the top of society that we must compete with one another or that the cause of your problems is the migrant or LGBTQI+ person standing next to you.

During the Kortex strike in Victoria in 1981, for example, women's struggle at work spilled over into home and family life, challenging stereotypical views of passive migrant women as well as questions of sexism at work and in personal relationships. It saw 300 mostly migrant women take the leading roles in the strike, reversing traditional gender roles. Men came to the picket lines to support the women—bringing the coffee and minding the children. But at home attitudes also began to change as male partners took over childcare and housework to free the women strikers for picketing and other work to ensure the success of the strike.

But such successes will always be temporary until we smash the system. Revolutionary struggles have seen oppressive ideas challenged on a grand scale. In 1905 Lenin wrote that: "Revolutions are the festivals of the oppressed and the exploited. At no other times are the masses of people in a position to come forward so actively as creators of a new social order as at a time of revolution."

Liberation from all forms of oppression can be accomplished only by convincing both those who directly experience oppression as well as other working-class people that our fundamental interests lie in promoting united struggle against homophobia, transphobia and all oppressions.

We need to support and deepen every struggle and movement to oppose oppression. Linking those struggles to the power of the working class gives us the best chance to defeat oppression and uproot the whole capitalist system.

13. Imperialism and national liberation

Throughout the history of capitalism the employing class has always looked to an additional source of wealth—the seizure of wealth produced in other countries. The growth of the first forms of capitalism at the close of the Middle Ages was accompanied by the seizure by western states of vast colonial empires—the empires of Spain and Portugal, of Holland, France and Britain. Wealth was pumped into the hands of the ruling classes of western Europe at the expense of whole societies in what has become known as the Global South (Africa, Asia and South America).

Thus, the "discovery" of America by Europeans in the 16th century produced a vast flow of gold into Europe. The other side of that coin was the destruction of whole societies and the enslavement of others. For example, in Haiti, where Columbus first established a settlement, the native Harawak people (perhaps half a million in all) were exterminated in just two generations. In Mexico the Indigenous population was reduced from 20 million in 1520 to two million in 1607.

As we have already seen, the trans-Atlantic slave trade generated enormous wealth for some Europeans while destroying the lives of millions of Africans. It was complemented by pure looting—as when the British conquered India. Bengal was so advanced that the first British visitors were stunned by the magnificence of its civilisation. But they swiftly seized this wealth, leaving Bengalis in grinding poverty that lasts to this day. The same processes were at work in relation to England's oldest colony, Ireland. During the Great Famine of the late 1840s when Ireland's population was halved by starvation and emigration, more than enough wheat to feed the starving population was sent from the country as rent to English landlords.

Today, it is usual to divide the world into "developed" and "underdeveloped" countries. One reason for the "development" of the Western countries was that the rest were robbed and pushed backwards. Many are poorer today than they were 300 years ago. As Michael Barratt Brown has pointed out: "The wealth per head of the present underdeveloped lands, not only in India, but in China, Latin America and Africa, was higher than in Europe in the 17th century, and fell as wealth grew in Western Europe."

The drive to imperialism

The possession of an empire enabled Britain to develop as the world's first industrial power. It could stop other capitalist states getting their hands on the raw materials, markets and profitable areas of investment within its third of the world. As new industrial powers such as Germany, Japan and the United States grew up, they wanted these advantages for themselves. They built rival empires or "spheres of influence". Faced with economic crisis, each major capitalist power tried to solve its problems by encroaching on the spheres of influence of its rivals. Imperialism led to world war.

The development of imperialism meant that capitalists did not just exploit the working class of their own country; they also took physical control of other countries and exploited

their populations. For the most oppressed classes in the colonial countries, this meant that they were exploited by foreign imperialists as well as by their own ruling class. They were doubly exploited.

But sections of the ruling classes in the colonial countries also suffered. They saw many of their own opportunities to exploit the local population stolen from them by imperialism. In the same way, the middle classes in the colonies, who would have liked to see a rapid expansion of locally run industry to provide them with good career opportunities, suffered as well.

The past 120 years have seen all these various classes in colonial and ex-colonial countries revolt against the effects of imperialism. Movements developed that tried to unite the whole population against foreign imperialist rule, such as in China (in 1912, 1923-27 and in 1945-48), Iran (in 1905-12, 1917-21 and in 1941-53), in Turkey (after the First World War), in the West Indies (from the 1920s onwards), in India (in 1920-48), in Africa (after 1945) and in Vietnam (until the United States and Australia were defeated in 1975).

These movements were often led by sections of the local upper classes or middle classes but they meant that the ruling classes of the advanced countries faced an additional opponent as well as their own working class. The national movement in the Global South challenged the imperialist capitalist states at the same time as did their own working classes.

For the working class movement in the advanced countries this had great importance. It meant that in its fight against capitalism, it had an ally in the liberation movements of the Global South. So today, for example, a Rio Tinto mineworker in Australia has an ally in the liberation forces in West Papua, which are fighting to take over the mine which Rio Tinto co-owns there. If Rio Tinto can thwart the aims of the liberation movement, then it will be more powerful when it resists the demands of workers in Australia.

This is true, even if the liberation movement in the poorer country does not have a socialist leadership—indeed, even if its leadership merely wants to replace foreign rule by the rule of a local capitalist or state capitalist class. The imperialist state which is trying to smash that liberation movement is the same imperialist state that is the greatest enemy of the Western worker. That is why Lenin argued for an alliance between the workers of the advanced countries and the oppressed people of the Global South, even when these had a non-socialist leadership.

This does not mean that socialists will agree with the way in which non-socialists in an oppressed country lead a national liberation struggle (any more than we necessarily agree with how a union leader leads a strike). But we must make it clear before anything else that we support that struggle. Otherwise we can all too easily end up supporting our own ruling class against people it is oppressing. We must support a liberation struggle unconditionally before we are entitled to criticise the way it is led.

However, revolutionary socialists in a country which is oppressed by imperialism cannot leave matters there. They must argue, day in day out, with other people about how the struggle for national liberation should be waged. Here, the most important points are contained in the theory of permanent revolution developed by the Russian revolutionary Leon Trotsky.

Trotsky began by recognising that movements against oppression are often initiated

by people from middle class or even upper-class backgrounds. Socialists support such movements because they aim to remove one of the burdens that weighs upon the most oppressed classes and groups in society. But we also recognise that those from the upper or middle classes cannot lead such struggles consistently. They will be afraid of unleashing a full-blooded class struggle, in case this challenges not merely oppression from outside but also their own ability to exploit the most oppressed classes.

At a certain point they will run away from the struggle they themselves initiated, and, if necessary, unite with the foreign oppressor to smash it. At this point, if socialists in the working class do not take the leadership of the national liberation struggle, it may be defeated.

Trotsky also made one final point. It is true that in most countries of the Global South the working class is only a minority, often a small minority, of the population. But it is nevertheless often quite big in absolute terms, it often creates a huge proportion of the national wealth in relation to its size and it is concentrated in overwhelming numbers in the cities which are key when it comes to ruling the country.

So in a period of revolutionary turmoil, the working class can take the leadership of all other oppressed classes and seize control of whole countries, hoping to trigger similar revolutions in other countries. The revolution can be "permanent", beginning with demands for national liberation and ending with socialist demands, and starting in one country but spreading globally. But only if socialists in the oppressed country have from the beginning organised the workers on an independent, class basis—supporting the general movement for national liberation but always warning that its middle class or upper-class leaders cannot be trusted.

National liberation today

Most countries in the Global South have now gained political independence. In all cases, the failure of the local working class to lead a decisive struggle for national and social liberation means those states emerged from colonialism as repressive class societies. But national liberation continues to be an important question. Northern Ireland is still under the control of British imperialism. The Kurds are oppressed by multiple Middle Eastern states. Kanaky/New Caledonia remains a French colony. West Papua is controlled and exploited by Indonesia. Revolutionary socialists defend the right of oppressed people everywhere to resist.

The struggle of the Palestinian people for liberation has taken on a particular importance since the Israeli genocide in Gaza and the West Bank that followed the breakout by Palestinian fighters on 7 October 2023. Most Western countries, including Australia, have contributed to arming the Israeli military and are complicit in the murder of 80,000 or more Palestinians in Gaza. These crimes have galvanised hundreds of millions around the world into solidarity action—marches, occupations and encampments and, in some cases, general strikes.

The general Marxist position outlined above can be seen clearly in the case of Palestine. Imperialist domination has led to the national humiliation of the Palestinian people and therefore to resistance by all social classes. From the great strike and revolt of 1936, to the launch of armed resistance in the 1960s, to the Intifadas (uprisings) of 1987-

1993 and 2000-2005 and the military assault on Israel in 2023, Palestinians have fought back against their oppressors. In the process, they have shaken the hold of imperialism.

But in the absence of revolutionary socialist organisation, leadership has fallen time and time again to middle class activists and organisations. First the secular Palestine Liberation Organisation and today the Islamist movement Hamas have refused to interfere in the affairs of neighbouring Arab states. Their shared aim is to become the ruling class of an independent Palestine and take their place alongside their "brother" Arab nations. The result has been muted criticism of Arab states that cooperate with Israel and the US. More importantly, both the PLO and Hamas have stood aside when radical revolts in Arab states have offered the possibility of upending the control of imperialism across the region—something that would help the Palestinian cause immensely.

Revolutionary socialists look to the power of the Arab working class across the region, above all in Egypt with its population of 110 million. In the Arab Spring of 2011, revolutions across the region brought down dictatorships. The *sumud* (steadfastness) of the Palestinians together with the struggle of Arab workers holds out the possibility of finally breaking imperialism's hold on the region and abolishing the Israeli apartheid state.

Destruction in Gaza as a result of Israel's genocide Photo: UNRWA

14. Socialism and war

Capitalist competition continues to feed bloody and brutal conflicts worldwide. The US invasion of Iraq in 2003, supported by Britain and Australia, destroyed an entire society. An estimated 2.4 million died because of violence in the years following. Hundreds of thousands have died in the war that followed Russia's invasion of Ukraine in 2022. Bitter and bloody conflicts flare in poorer countries like Sudan, often supported on either side by imperialist powers hoping to grab control of minerals.

These conflicts between states flow from the constant jostling for control of strategic resources, markets and trade routes. This is what socialists call imperialism—militarised competition for global domination. For decades, the main rivalry was between the US and Russia. Now it is between the US and the new rising superpower, China. In the Straits of Taiwan and the South China Sea, their warships patrol the same waters. An accident or unplanned incident could lead to a major crisis and even a military exchange. Smaller powers like Australia, Turkey, Iran and Saudi Arabia cannot project global power but also try to dominate their regions. The result has been conflicts in places like Syria, Yemen and Iraq that in turn draw in the major powers.

Wars pre-date capitalism. But capitalism has made wars immensely more dangerous in many ways. Mass manufacturing techniques in the 19th century opened the way for mechanised armies with a range of new weapons, such as repeating rifles, machine guns and artillery. Now that list includes chemical weapons, nuclear weapons, missiles, drones and lasers. The development of steam-driven, metal-hulled ships and the invention of the plane meant wars could dramatically increase their geographical reach—including to civilian areas.

The first major war of the modern capitalist era was the US Civil War in the 1860s. It saw the deployment of ironclad warships and submarines, and huge armies. Some 750,000 died, two thirds from disease. The First World War was the first total war. It's estimated that seven to eight million died in battle or from their wounds, another two to three million from accidents, disease and while prisoners of war, and that there were 6.5 million civilian deaths. The Second World War took the barbarity to a higher level with an overall death toll of between 70 and 85 million. Causes of death included battle, disease and famine. But they also included two horrors new to, and unique to, capitalism—the industrialised genocide of the Holocaust and the atomic bombing of Hiroshima and Nagasaki.

Today we live in the shadow of the world's nuclear armoury. There are some 13,500 warheads, with the US and Russia owning the lion's share. These weapons are much, much more powerful than those dropped on Japan in 1945. A full-scale nuclear exchange would wipe out most life on earth. But researchers reckon even a regional nuclear war, between say India and Pakistan, would have devastating effects well beyond the blast zones and the immediate tens of millions of deaths. *Nature* magazine reports that: "Smoke from the incinerated cities rises high into the atmosphere, wrapping the planet in a blanket of soot that blocks the sun's rays. The planet plunges into a deep chill. For years, crops wither from California to China. Famine sets in around the globe."

You might think that such a scenario means no rational capitalist would ever start such a war. But capitalism is a system of competition between capitalists. Usually they fight

with economic weapons but, as the world has seen too often, economic conflict can lead to political crisis and a desperate attempt to settle matters militarily. Once the fighting starts, no one can be sure where it will end. That is why we need to abolish capitalism, the system that breeds war.

The aircraft carrier USS Enterprise, one of the US military's most lethal strike weapons Photo: U.S. Navy photo by Mass Communication Specialist Seaman Harry Andrew D. Gordon

15. The revolutionary socialist party

The basic premise of Marxism is that the development of capitalism itself drives workers into revolt against the system. When such revolts break out—whether a mass demonstration, an armed insurrection or even a big strike—the transformation of working class consciousness is astonishing. All the mental energy that workers previously frittered away on a hundred and one diversions—from PlayStation to doomscrolling—is suddenly directed towards trying to deal with the problem of how to change society. Millions of people working on such problems produce solutions of amazing ingenuity, which often leave established revolutionaries as bewildered as the ruling class by this turn of events.

So, for instance, in the first Russian revolution of 1905 a new form of workers' organisation, the soviet—the workers' council—grew out of the strike committee set up during a printing strike. At first the Bolshevik party—the most militant of the revolutionary socialists—treated the soviets with distrust: they did not believe it was possible for the mass of previously non-political workers to create a genuinely revolutionary instrument. They rapidly realised they were wrong.

Such experiences are found in many strikes: the established militants are taken completely by surprise when workers who have ignored their advice for so long, suddenly begin to organise militant action themselves. This spontaneity is fundamental. But it is wrong to draw the conclusion—as anarchists and autonomists do—that because of spontaneity, there is no need for a revolutionary party.

In a revolutionary situation, millions of workers change their ideas very, very quickly. But they do not all change all their ideas at once. Inside every strike, every demonstration, every armed uprising there are always continual arguments. A few workers will see the action they are taking as a prelude to the working class taking control of society. Others will be half against taking any action at all, because it is disturbing the "natural order of things". In the middle will be the mass of workers, attracted first by one set of arguments, then by the other,

Onto one side of the balance the ruling class will throw all the weight of its media propaganda machine, denouncing the workers' actions. It will throw too its strikebreaking forces, whether police, army or right-wing organisations. And on the workers' side of the argument there must be an organisation of socialists who can draw on the lessons of past class struggle, who can throw the arguments about socialism into the balance. There must be an organisation that can draw together the growing understanding of workers in struggle, so they can act together to change society.

And this revolutionary socialist party needs to be there before the struggle starts, for organisation is not born spontaneously. The party is built through the continual interplay of socialist ideas and experience of the class struggle—for merely to understand society is not enough: only by applying these ideas in the day-to-day class struggle, in strikes, demonstrations, campaigns, will workers become aware of their power to change things and gain the confidence to do it. At certain points, the intervention of a socialist party can be decisive, can tip the balance towards change, towards a revolutionary transfer of power to the workers, towards a socialist society.

What sort of party?

The revolutionary socialist party needs to be democratic. To fulfil its role, the party must be continually in touch with the class struggle, and that means with its own members and supporters in the workplaces where that struggle takes place. It needs to be democratic because its leadership must always reflect the collective experience of the struggle. This democracy is not merely a system of election but a continual debate within the party—a continual interaction of the socialist ideas on which the party is based with the experience of class struggle.

But the revolutionary socialist party must also be centralised—for it is an active party, not a debating society. It needs to be able to intervene collectively in the class struggle, and to respond quickly, so it must have a leadership capable of taking day-to-day decisions in the name of the party. If the government orders the jailing of Palestine protesters, for instance, the party needs to react at once, without the need to convene conferences to take democratic decisions first. So the decision is made centrally and acted upon. Democracy comes into play afterwards, when the party hammers out whether the decision was correct or not—and maybe changes the party leadership if it was out of touch with the needs of the struggle.

The revolutionary socialist party needs to maintain a fine and delicate balance between democracy and centralism. The key is that the party does not exist for its own sake but as a means for bringing a revolutionary change to socialism—and that can only be through class struggle. The party cannot substitute for the working class. It must be part of the class struggle, continually trying to unite the most class-conscious workers to provide a leadership for the struggle. Nor can the party dictate to the class. It cannot simply proclaim itself the leadership but must win that position, proving the correctness of socialist ideas in practice—which means anything from a small strike to the revolution itself.

Today, Solidarity is not a revolutionary socialist party—we do not yet have the weight inside the working class to take significant, national initiatives. We try to build movements of resistance and shape struggles where we can while winning individuals to a Marxist world view. There are no short cuts to greater size and influence. Most people—even most activists in unions and movements—do not yet feel that workers have the power to overthrow the system, even if they wanted to. There is no point watering down our politics to try to gain more supporters: there is no alternative to the serious and sometimes slow work of winning people to revolutionary politics.

But when the struggle increases, large numbers of workers can change their ideas very fast, realising through struggle their power to change things. Then a revolutionary group must be able to open its doors to new members on a large scale and become a party, otherwise it will be left on the sidelines. Solidarity is fighting the system today. Join us so we can help lead the struggle to overthrow the system tomorrow.

We live in world of multiple crises—war and inter-imperialist rivalry, pandemic, economic upheaval and climate chaos. Billionaire wealth surges every year while millions of people struggle to survive. Capitalism is driving us towards catastrophe.

Marxism can help explain why these crises happen—and gives us the tools that can help guide the struggle to end them.

***How Marxism Works* is an accessible introduction to the basics of Marxist theory, from understanding history to economic crisis, oppression, the role of the working class, and why we need a revolution to bring about socialism.**

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